Haw Par Corporation Limited

Annual Report 2008

Group Companies

CORE OPERATIONS

Healthcare:
Haw Par Healthcare Limited
Tiger Balm (Malaysia) Sdn. Bhd.
Xiamen Tiger Medicals Co., Ltd.
Haw Par Healthcare (Xiamen) Co., Ltd
Haw Par Elder (India) Private Limited
Haw Par Tiger Balm (Thailand) Limited
Haw Par Tiger Balm (Philippines), Inc.
Tiger Medicals (Taiwan) Limited
PT. Haw Par Healthcare

Leisure:
Haw Par Leisure Pte Ltd
Underwater World Singapore Pte Ltd
Underwater World Pattaya Ltd
Chengdu Haw Par Oceanarium Co., Ltd

PROPERTY & INVESTMENTS

Property:
Haw Par Properties (Singapore) Private Limited
Haw Par Centre Private Ltd
Setron Limited
Haw Par Land (Malaysia) Sdn. Bhd.

Investments:
Haw Par Investment Holdings Private Limited
Straits Maritime Leasing Private Limited
Pickwick Securities Private Limited
Haw Par Equities Pte Ltd
Haw Par Trading Pte Ltd
M & G Maritime Services Pte Ltd
Haw Par Capital Pte Ltd
Haw Par Securities (Private) Limited
Haw Par Hong Kong Limited
Haw Par Brothers International (H.K.) Limited
Tiger Balm (HongKong) Limited
(Formerly known as Haw Par International Limited)
Haw Par Pharmaceutical Holdings Pte Ltd

Associated Companies:
Hua Han Bio-Pharmaceutical Holdings Limited (20.84%)
UIC Technologies Pte Ltd (40%)

CONTENTS

Corporate Profile

At the heart of Haw Par is a strong commitment to enhancing people's quality of life. We believe that every individual experience must be enriched, upholding well-being through products and services that promote a balanced lifestyle.

HAW PAR CORPORATION LIMITED has been listed on The Singapore Exchange since 1969.

Headquartered in Singapore, the Group's core healthcare and leisure businesses promote healthy lifestyles through its healthcare products and oceanariums.

Haw Par's healthcare products are manufactured and marketed under its various established brands such as Tiger Balm and Kwan Loong. Its renowned ointment Tiger Balm and product extensions such as Tiger Balm Medicated Plaster, Tiger Balm Joint Rub, Tiger Balm Neck and Shoulder Rub and Tiger Balm Neck and Shoulder Rub Boost are used worldwide to invigorate the body as well as to relieve aches and pains.

The Group owns and operates two oceanariums, namely the Underwater World Singapore at Sentosa and Underwater World Pattaya in Thailand. A third oceanarium in Chengdu, China, is under construction and due for completion in 2009.

The Group also has interests in investment properties and manages its own portfolio of investments in securities.

The Group's primary corporate strategy is to expand its core healthcare and leisure businesses through product extensions under its own established brands, form strategic alliances with partners in various key markets and explore acquisition of compatible businesses. It also aims to manage efficiently its portfolio of investments in properties and securities to achieve a reasonable return.

FINANCIAL PERFORMANCE

2008 was a challenging year for the Group as margins were squeezed by inflationary cost pressures and consumer spending declined in the second half of the year. Although Group turnover increased by 2% to $122.1 million, profit after tax in 2008 decreased by 51% to $78.5 million from 2007's $159.1 million as a result of lower investment income and fair value losses on investment properties, offset by a surplus on the sale of Setron Building.

Despite worldwide challenging economic conditions, the healthcare division managed to maintain its performance. Higher contributions from the Middle Eastern and key Asian markets made up for lower sales in the North American markets.

The leisure division reported a 9% decline in profitability. Underwater World Singapore ("UWS") suffered a 13% decline in visitorship amidst a weakening tourism industry in 2008 and increased operating costs. Underwater World Pattaya managed to increase profitability despite lower visitor numbers, through improvement in revenue yield and tighter cost control measures. The property division was able to leverage on the vibrant office rental market in Singapore to achieve higher occupancy and rental rates. Its profitability increased by 42% in 2008.

DIVIDENDS

For the financial year ended 31 December 2008, the Directors recommend to maintain the payment of a final tax exempt (one-tier) dividend of 14 cents per ordinary share. Together with the interim dividend of 6 cents paid in September 2008, the total dividend per ordinary share for financial year 2008 would be 20 cents, which should be the same as previous year, excluding 5 cents special dividend paid previous year. This dividend represents approximately 45% of our operating profit.

The Group will continue to pay greater attention to operational efficiency and cost control to better conserve and use our resources.

GROUP OPERATING HIGHLIGHTS

The key focus on driving Tiger Balm brand products in certain Asian markets has turned in encouraging results and has helped to weather the lower sales in America.

UWS's continued efforts to rejuvenate interest and to build a competitive advantage over other aquariums in the region have seen new exhibits being introduced during the year. A more targeted focus on local and corporate visitors has also assisted to cushion the lower foreign visitor numbers.

The property division witnessed a strong rental market and achieved almost full occupancy at better rental rates which augmented the division's performance during the year.

2009 BUSINESS OUTLOOK AND STRATEGY

Operating conditions in 2009 are likely to pose greater challenges especially for consumer driven sectors. The global credit squeeze has impacted international trade. In the face of reduced consumer demand, the healthcare division will focus its marketing strategies and launches of new products in those territories with strong growth potential.

The slowing global economy is also likely to lead to a decline in business and leisure travel. In view of this, UWS will channel more marketing efforts towards regional and local markets. Key projects are in the pipeline to provide new exhibits and innovative activities at UWS.

The aquarium in Thailand is likely to face challenges which may inhibit its growth of visitorship.

Our oceanarium in Chengdu, which was delayed due to the Sichuan earthquake, is scheduled to commence operation in mid-2009.

The Group will continue to pay greater attention to operational efficiency and cost control to better conserve and use our resources.

The Group has a strong balance sheet and ample financial resources which allow us to take advantage of the present depressed economic circumstances to explore opportunities for new investments.

ACKNOWLEDGEMENT

I wish to thank my fellow Board members for their invaluable counsel and contributions, management and staff for their hard work and dedication, and our shareholders and business associates for their continuing support.

Wee Cho Yaw
Chairman

业绩表现

2008年是充满挑战的一年。由于通货膨胀造成的成本压力以及下半年市场消费支出的下降，使集团的利润率受到挤压。尽管集团的营业额增长了2%，达到1亿2210万元，但由于投资收益较低和物业公允值下挫，在脱售施特朗大厦所产生的盈余缓解下，2008年的税后利润下降了51%， 从2007年的1亿5910万元降至2008年的7850万元。

面对全球经济放缓，保健业务仍保持了2007年的业绩水平。这主要归功于中东和主要的亚洲市场所创造的较佳业绩，弥补了北美市场较低的销售量。

休闲业务的利润下降了9%。由于2008年旅游业的疲软，新加坡海底世界的游客量减少了13%。而芭堤雅海底世界在游客量减少的情况下，通过提升收入效益的途径和更严格的成本控制措施，提高了收益率。物业方面，借助新加坡上半年房地产和办公楼租赁的活跃市场，获得了更高的租用率和租金收入。2008年，其利润率增长了42% 。

股息

截至2008年12月31日为止的财政年度，董事会建议继续派发普通股每股14分的年终免税（单层）股息。加上2008年9月所发出的每股6分中期股息，2008财政年度所派发的普通股每股总股息为20分，与2007年派发的全年每股股息相同（但不含上年派发的5分特别股息）。这次派发的股息约占集团营运盈利的45%。

集团将会更加注重运营效率和成本控制，以便更好地保护和利用我们的资源。

集团业务摘要

保健业重点推动虎标系列产品占领某些亚洲市场的策略，取得了可观的业绩表现，并且帮助克服了美国市场消费支出萎缩的影响。

新加坡海底世界致力以自我更新吸引游客，构筑比本地区其他水族馆更大的竞争优势，本年内推出了许多新颖独特的展览及节目。另外，新加坡海底世界也专注于吸引本地以及机构团体游客，缓解了外国游客人数下降所带来的影响。

物业部门抓住租赁市场在上半年迅速发展所带来的机会，几乎取得了100%的租用率，从而提升了该部门的全年业绩。

业务展望和策略

2009年的营运形势可能会面临更严峻的考验，尤其是对消费物品市场的业务影响很大。全球信贷紧缩导致国际贸易受到冲击。面对消费需求的下降，保健业务将致力于落实营销策略并积极将新产品推广到有较佳增长潜力的市场。

全球经济的放缓也会导致商务和休闲旅游业下滑。为此，新加坡海底世界将开展更多的营销活动，来开发区域和本地市场。新加坡海底世界正在落实多个关键项目，在表演节目上不断推陈出新。

泰国芭堤雅水族馆预期将面临多方面挑战，而可能影响其游客量的增长。

成都水族馆的建设由于四川大地震而导致工程期延长，预计将于2009年中旬开业。

集团将更加注重营运效率和成本控制，以便更好地保聚和善用我们的资源。

集团的财务状况稳健并拥有充足的财务资源， 这有助于我们在低迷的经济形势中，较有利地把握投资机遇，开拓新的业务。

致谢

本人谨此对各位董事提供的宝贵建议致以衷心的感谢，并对管理层、员工的不懈努力与贡献，以及公司股东和商业伙伴多年的支持表示诚挚的谢意。

黄祖耀
主席

Board of Directors

WEE CHO YAW

Non-Executive Chairman

Age 80. A career banker with more than 40 years' experience. Chairman of the Company and of the Haw Par Group ("Group") since 1978. Appointed to the Board on 31 October 1975 and last re-appointed on 23 April 2008.

Chairman of the United Overseas Bank Limited Group and Chairman of several listed companies – United Overseas Insurance Limited, United International Securities Limited, UOL Group Limited, Hotel Plaza Limited, United Industrial Corporation Limited and Singapore Land Limited. He was previously Chairman of Overseas Union Enterprise Limited.

President of the Singapore Federation of Chinese Clan Associations, and Honorary President of Singapore Chinese Chamber of Commerce & Industry. Pro-Chancellor of Nanyang Technological University.

Received Chinese high school education and was conferred Honorary Doctor of Letters by National University of Singapore in 2008.

WEE EE LIM

President & CEO

Age 47. Mr Wee Ee Lim joined the Group in 1986 and became President & CEO of Haw Par Corporation Limited in 2003. Appointed to the Board on 23 March 1994 and was last re-elected on 23 April 2008. He has been closely involved in the management and growth of the Group over the last 22 years.

He is Director of Singapore Land Limited, United Industrial Corporation Limited, UOL Group Limited, Hotel Plaza Limited and Hua Han Bio-Pharmaceutical Holdings Limited (a company listed on the Hong Kong Stock Exchange).

He was previously a board member of Sentosa Development Corporation and a Director of Transit-Mixed Concrete Limited.

Holds a Bachelor of Arts (Economics) degree from Clark University.

SAT PAL KHATTAR

Independent Director

Age 66. A founding partner and later consultant in Messrs KhattarWong with over 40 years' experience in the legal profession. Now Chairman and Director of Khattar Holdings Pte Ltd Group of Companies which is principally in investments. Appointed to the Board on 1 January 1977 and last re-elected on 23 April 2008.

Chairman of GuocoLand Limited. Director of Guoco Group Limited and GuocoLeisure Limited. Chairman of the Board of Trustees of the Singapore Business Federation and Director of the Institute of South Asian Studies.

Holds a LLM degree and LLB (Hons) degree from the University of Singapore.

REGGIE THEIN

Independent Director

Age 68. An accountant with over 40 years' experience in the profession. Appointed to the Board on 8 July 2003 and last re-elected on 26 April 2007.

Director of United Overseas Bank Limited, GuocoLand Limited, GuocoLeisure Limited, Grand Banks Yachts Limited, MFS Technology Limited, FJ Benjamin Holdings Limited, MobileOne Limited, Keppel Telecommunications and Transportation Limited, MFS Technology Ltd, Otto Marine Limited, Energy Support Management Pte Ltd, Ascendas Pte Ltd and DLF Trust Management Pte Ltd.

Also a member of the governing council of the Singapore Institute of Directors.

Previously, a Director of Pearl Energy Limited.

Fellow of the Institute of Chartered Accountants in England and Wales and a member of the Institute of Certified Public Accountants of Singapore.

HWANG SOO JIN
Independent Director

Age 73. A chartered insurer with more than 40 years of professional experience. Appointed to the Board on 28 October 1986 and last re-elected on 23 April 2008.

Chairman Emeritus, Director and Senior Advisor of Singapore Reinsurance Corporation Ltd and Director of Singapore Land Limited, United Industrial Corporation Limited and United Overseas Insurance Limited.

A Director of the Hokkien Foundation.

Previously the Chairman of Singapore Reinsurance Corporation Ltd and a Director of Lee Kim Tah Holdings Limited among others.

A chartered insurer of the Chartered Insurance Institute, UK, an advisor to the ASEAN Insurance Council, an Honorary Fellow of The Singapore Insurance Institute and a Justice of the Peace.

LEE SUAN YEW
Independent Director

Age 75. A medical practitioner with over 40 years' experience. Appointed to the Board on 18 December 1995 and last re-appointed on 23 April 2008.

Currently, he is an independent Director of K1 Ventures Limited and a Trustee of the Board of SingHealth Foundation.

Appointed Justice of the Peace in 1998. He was President of the Singapore Medical Council for 4 years (2000 – 2004) and was also Chairman of the Singapore National Medical Ethics Committee (2007 and 2008). For his numerous public services, he was awarded the Public Service Star in 1991 and Public Service Star (Bar) in 2002.

Holds a M.B.B. Chir. degree from the University of Cambridge and MRCP and FRCP from the Royal College of Physicians, Glasgow.

LIM KEE MING

Independent Director

Age 82. Chairman of Lim Teck Lee Group of Companies. Appointed to the Board on 5 December 1997 and last re-appointed on 23 April 2008.

Director of UOL Group Limited and Hotel Plaza Limited. Also an advisor to Network China.

Honorary President of Singapore Chinese Chamber of Commerce & Industry and Vice President of Ngee Ann Kongsi.

Previously Chairman of Preservation of Monument Board.

Holds a Masters degree in International Trade & Finance from Columbia University and a Bachelor degree in Business Administration from New York University.

WEE EE CHAO

Non-Executive Director

Age 54. Chairman of UOB-Kay Hian Holdings Limited. Appointed to the Board on 8 July 2003 and last re-elected on 26 April 2006.

Chairman and Managing Director of UOB-Kay Hian Holdings Limited Group and Director of Wee Investments Private Limited Group, UOL Group Limited and Hotel Plaza Limited.

Previously, Chairman of the Singapore Tourism Board, 2002 - 2004.

Holds a Bachelor of Business Administration degree from The American University.

CHNG HWEE HONG

Executive Director

Age 59. Joined the Group in 1990. Appointed as Group General Manager in 1992 and promoted as Executive Director and Chief Operating Officer in 1996. Appointed to the Board on 23 March 1994 and last re-elected on 26 April 2006.

Appointed as a Committee Member of the Singapore Sichuan Trade and Investment Committee on 1 May 2005.

Holds a Bachelor of Science (Hons) degree in Applied Chemistry and a Diploma in Business Administration from the University of Singapore.

HAN AH KUAN

Executive Director

Age 60. Joined the Group in 1991 as General Manager of Haw Par Healthcare Limited ("HPH") and appointed as a director of HPH in 1995. Appointed to the Board on 28 January 2005 and re-elected on 26 April 2007.

Holds a Bachelor of Business Administration (Hons) degree from the University of Singapore.

Corporate Information

DIRECTORS

Wee Cho Yaw
Chairman (Non-Executive)

Wee Ee Lim
President & Chief Executive Officer

Sat Pal Khattar
Independent Director

Reggie Thein
Independent Director

Hwang Soo Jin
Independent Director

Lee Suan Yew
Independent Director

Lim Kee Ming
Independent Director

Wee Ee Chao
Non-Executive Director

Chng Hwee Hong
Executive Director

Han Ah Kuan
Executive Director

AUDIT COMMITTEE

Reggie Thein
Chairman

Hwang Soo Jin

Lee Suan Yew

INVESTMENT COMMITTEE

Wee Cho Yaw
Chairman

Wee Ee Lim

Chng Hwee Hong

Han Ah Kuan

NOMINATING COMMITTEE

Sat Pal Khattar
Chairman

Wee Cho Yaw

Lee Suan Yew

REMUNERATION COMMITTEE

Sat Pal Khattar
Chairman

Wee Cho Yaw

Hwang Soo Jin

COMPANY SECRETARY

Zann Lim Seok Bin

AUDITOR

PricewaterhouseCoopers LLP
Chew Teck Soon (From 2004)
Audit Partner-in-charge

BANKERS

United Overseas Bank Limited

The Hong Kong & Shanghai Banking
Corporation Limited

REGISTRAR

Boardroom Corporate & Advisory Services Pte Ltd
3 Church Street #08-01
Samsung Hub
Singapore 049483

REGISTERED OFFICE

401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel : 6337 9102
Fax : 6336 9232
Website : www.hawpar.com
Reg. No. : 196900437M

Key & Senior Executives

ZANN LIM
Group Financial Controller &
Group Company Secretary,
Haw Par Corporation Limited

Joined the Group as Group Finance Manager in 2006. Promoted to present position in 2008.

Holds a Master of Business Administration from INSEAD and Tsinghua University. A member of the Institute of Certified Public Accountants of Singapore.

TEO THIN YIEN
Group Internal Audit Manager,
Haw Par Corporation Limited

Joined the Group in 1979 as Group Internal Audit Manager.

Fellow of CPA Australia.

TARN SIEN HAO
General Manager (Corporate Development),
Haw Par Corporation Limited

Joined the Group in 2001 as Deputy General Manager (Corporate Development). Promoted to present position in 2005.

Holds a Master of Business Administration from the University of Dubuque.

GOH BEE LEONG
Director & General Manager (Manufacturing),
Haw Par Healthcare Limited

Joined Haw Par Healthcare in 1977 as Quality Control Pharmacist. Promoted to present position in 2006.

Holds a Bachelor of Science (Pharmacy) from the University of Singapore.

JASMIN HONG
Deputy General Manager (Marketing),
Haw Par Healthcare Limited

Joined Haw Par Healthcare in 2004 as Deputy General Manager (Marketing).

Holds a Bachelor of Commerce degree from the University of Melbourne.

KWEK MENG TIAM
Director & General Manager,
Underwater World Singapore Pte Ltd

Joined Underwater World Singapore in 1991 as Maintenance Superintendent. Promoted to Operations Director in 2002 and to present position in 2005.

Holds a Bachelor of Arts in Business Studies, The Open University, UK.

WAH YAP HON
Curator,
Underwater World Singapore Pte Ltd

Joined Underwater World Singapore and appointed to his current position as Curator in March 2009.

Holds a Diploma in Biotechnology from Ngee Ann Polytechnic.

BERNARD WONG
General Manager,
Underwater World Pattaya Ltd

Joined Underwater World Pattaya as General Manager in 2008.

Holds a Bachelor of Engineering degree from University of Tasmania.

JOHN NG
General Manager,
Chengdu Haw Par Oceanarium Co., Ltd

Joined Chengdu Haw Par Oceanarium in March 2009. Holds a Post graduate Diploma in International Marketing from Strathclyde University.

KENNETH PEH
General Manager (Project Development),
Chengdu Haw Par Oceanarium Co., Ltd

Joined Underwater World Singapore in 1998 as Facilities Manager. Promoted to Senior Manager (Facilities/Projects) in 2008 and seconded to Chengdu Haw Par Oceanarium Co., Ltd as General Manager in December 2007. Appointed to the current position in March 2009.

Holds a Bachelor of Applied Science degree in Construction Management from the Royal Melbourne Institute of Technology.

WONG FOOK YUEN
Director & Property Manager,
Haw Par Properties (Singapore) Private Limited

Joined Haw Par Properties as Property Manager in 2001.

Holds a Bachelor of Science degree in Estate Management from the University of Singapore.

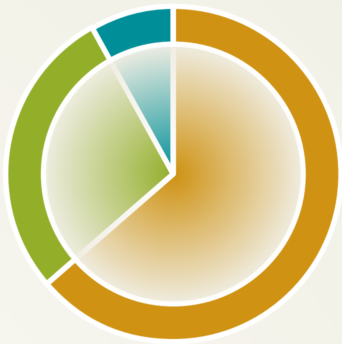
Group Financial Highlights

	2008	2007	% Increase/ (Decrease)
RESULTS ($'000)			
Group turnover:			
1st Quarter	**25,878**	26,498	(2.3)
2nd Quarter	**30,070**	29,119	3.3
3rd Quarter	**31,154**	30,658	1.6
4th Quarter	**35,007**	33,057	5.9
	122,109	119,332	2.3
Profit before taxation:			
1st Quarter	**10,160**	8,810	15.3
2nd Quarter	**48,656**	62,739	(22.4)
3rd Quarter	**22,963**	31,980	(28.2)
4th Quarter	**(365)**	84,301	(100.4)
	81,414	187,830	(56.7)
Earnings for the year:			
1st Quarter	**8,762**	7,742	13.2
2nd Quarter	**47,068**	52,903	(11.0)
3rd Quarter	**21,068**	27,216	(22.6)
4th Quarter	**1,371**	71,122	(98.1)
	78,269	158,983	(50.8)
BALANCE SHEET ($'000)			
Shareholders' funds	**1,320,065**	1,927,289	(31.5)
Borrowings	–	–	–
Debt/Equity (%)	–	–	–
PER SHARE			
Earnings (cents)	**39.6**	77.8	(49.1)
Dividend net (cents)	**20.0**	25.0	(20.0)
Dividend cover (times)	**2.0**	3.1	(35.5)
Net tangible assets per share ($)	**6.63**	9.71	(31.7)
EMPLOYEES			
Number of employees (Full time and Permanent)	**422**	381	10.8
Group turnover per employee ($'000)	**289**	313	(7.7)
Pre-tax profit per employee ($'000)	**193**	493	(60.9)

TURNOVER
(%)

	2008	2007
Healthcare	**58.2**	59.1
Leisure	**28.6**	31.0
Property	**13.2**	9.9

2008



2007

PROFIT CONTRIBUTION
(%)

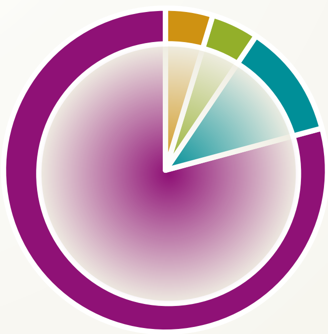
	2008	2007
Healthcare	**14.2**	11.9
Leisure	**16.0**	14.8
Property	**14.3**	7.1
Investments	**55.5**	66.2

2008

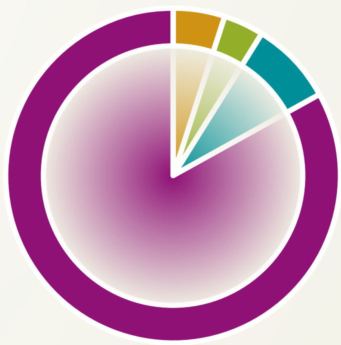
2007

ASSETS EMPLOYED
(%)

	2008	2007
Healthcare	**4.9**	4.1
Leisure	**4.6**	3.1
Property	**11.5**	9.0
Investments	**79.0**	83.8



2008

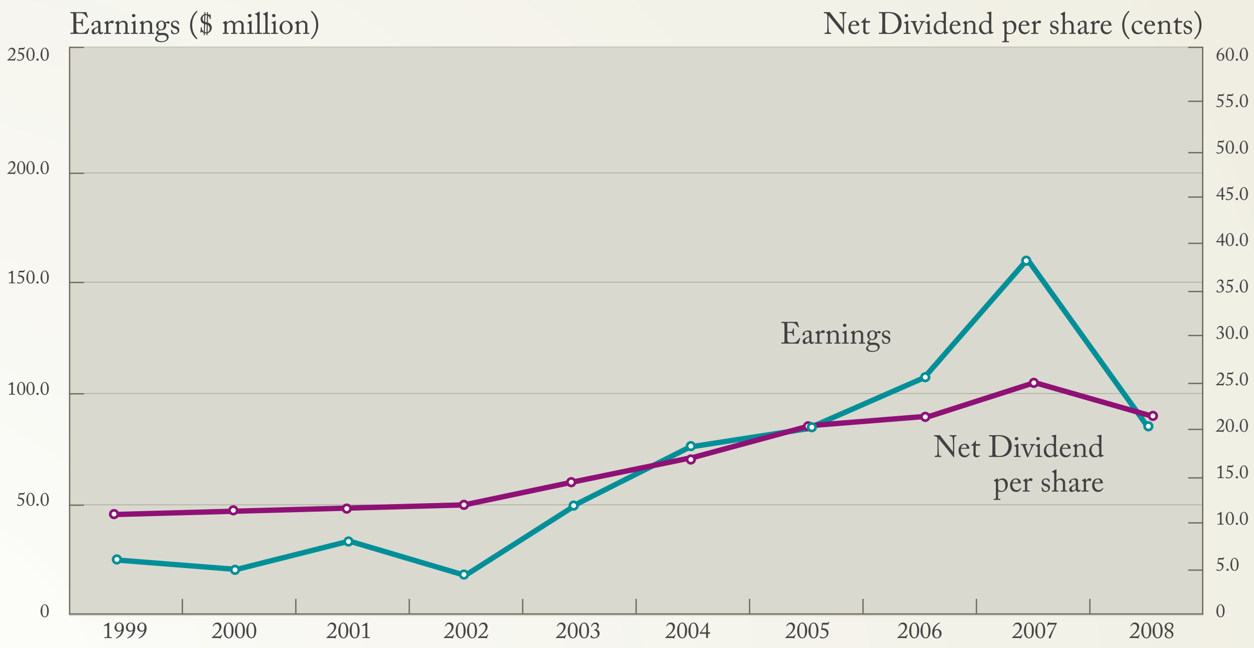


2007

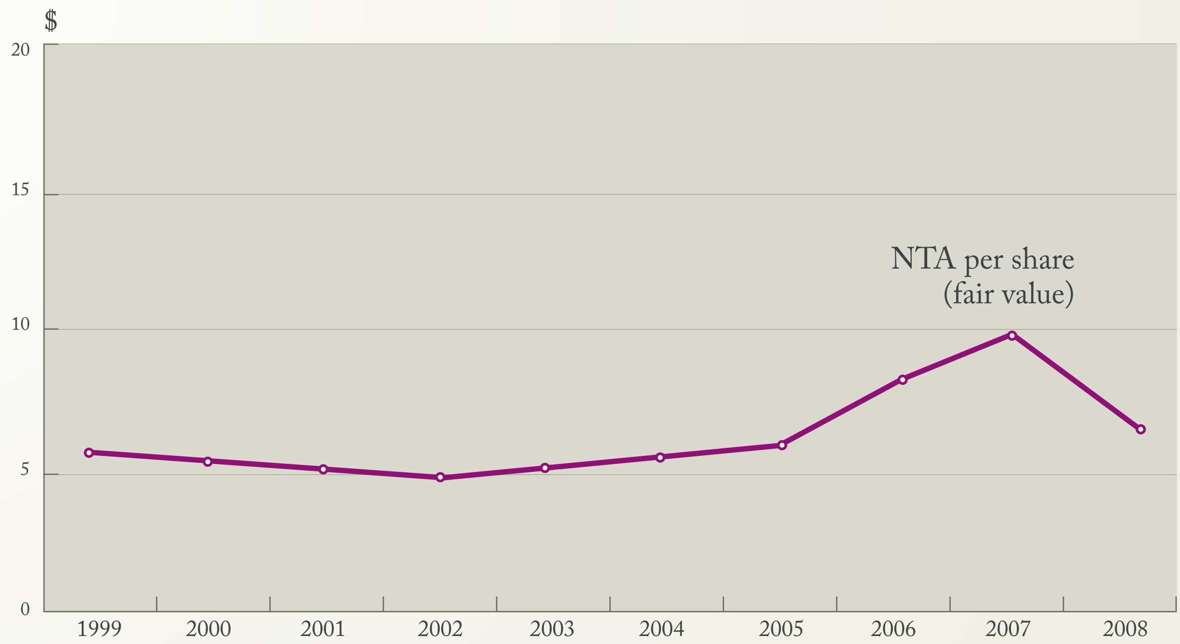
Five-Year Financial Summary

	2008	2007	2006	2005	2004
RESULTS ($'000)					
Group turnover	**122,109**	119,332	119,682	120,404	113,379
Profit from operations	**90,438**	109,039	101,837	94,872	86,677
Associates' contribution	**6,616**	6,129	8,599	309	163
Profit before taxation	**81,414**	187,830	127,097	95,181	86,840
Profit after taxation	**78,548**	159,130	107,268	80,689	74,469
Earnings for the year	**78,269**	158,983	107,091	80,311	73,254
PER SHARE					
Earnings (cents)	**39.6**	77.8	51.6	38.8	35.4
Dividend net (cents)	**20.0**	25.0	20.0	19.0	17.0
Dividend cover (times)	**2.0**	3.1	2.6	2.0	2.1
BALANCE SHEET ($'000)					
Shareholders' funds	**1,320,065**	1,927,289	1,799,165	1,310,875	592,941
Minority interests	**7,017**	6,899	6,909	6,895	6,668
	1,327,082	1,934,188	1,806,074	1,317,770	599,609
Property, plant and equipment	**35,341**	26,469	23,106	23,417	29,600
Investment properties	**197,826**	214,498	151,698	134,968	124,433
Associated companies	**59,359**	49,995	43,680	36,696	1,448
Available-for-sale financial assets	**758,226**	1,285,747	1,194,564	846,834	311,299
Intangible assets	**11,116**	11,216	11,116	14,428	14,428
Net current assets	**306,348**	413,918	443,162	302,060	124,721
Long term liabilities	**(41,134)**	(67,655)	(61,252)	(40,633)	(6,320)
	1,327,082	1,934,188	1,806,074	1,317,770	599,609
STATISTICS					
Return on equity (%)	**5.9**	8.2	5.9	6.1	12.2
Net tangible assets per share ($)	**6.63**	9.71	8.61	6.26	2.80
Debt/Equity (%)	**–**	–	–	–	0.8
Number of shareholders	**21,955**	21,770	22,574	24,915	25,912
EMPLOYEES					
Number of employees (Full time and Permanent)	**422**	381	399	442	470
Group turnover per employee ($'000)	**289**	313	300	272	241
Pre-tax profit per employee ($'000)	**193**	493	319	215	185

EARNINGS AND NET DIVIDEND



NET TANGIBLE ASSETS ("NTA") PER SHARE



Healthcare

The worldwide financial crisis and economic downturn in 2008 which saw several major countries going into recession will impact our distributors, wholesalers and retailers. Although the difficulties are widespread, management has taken as many preemptive and proactive measures as it can to meet the challenges that it expects to face in the difficult times ahead. This is the time management will capitalize on its brand strength, image and reputation in the midst of selective buying from consumers and the trade. We aimed to step up media advertising for our newly launched line extensions in several key markets in a bid to capture higher market share from competitors. We have entered new markets like Vietnam, Cambodia and Laos where we intend to invest in advertising and promotions to get early consumer trials.

With approval granted by the Thai authorities, we launched Tiger Balm Neck & Shoulder Rub in Thailand. We hope to replicate our success with this new product in the Singapore market in Thailand – an important and large market for

us where the Tiger Balm franchise is relatively strong. Heavy advertising and promotional support has been given to this launch and initial response from the trade and consumers are encouraging. For the Singapore market, we have also launched two new line extensions viz. Tiger Balm Mosquito Repellent Patch and Tiger Balm Cooling Patch. Consumer offtake for the new Mosquito Repellent Patch was good.

We continue to face stringent regulatory requirements in terms of product registration in most markets. Legal action has been taken upon discovery of counterfeiting of our brand by organized syndicates in certain countries.

In the area of product development, we have been working on several new product concepts that will widen the spectrum of consumer appeals and thereby further heighten the Tiger Balm brand image.

In the bid to improve our way of doing business in certain cultures, we are reviewing our strategies for certain markets. We are also discussing with companies that we can forge a strategic alliance with by looking at new ways to tackle the changing marketplace environments.

The World of Tiger Balm

EUROPE

Andorra
Austria
Belgium
Croatia
Cyprus
Czech Republic
Denmark
Estonia
Finland
France
Germany
Gibraltar
Greece
Holland
Hungary
Ireland
Italy
Latvia
Lithuania
Liechtenstein
Luxembourg
Macedonia
Malta
Norway
Poland
Portugal
Russia
Slovakia
Slovenia
Spain
Sweden
Switzerland
United Kingdom

MIDDLE EAST

Bahrain
Egypt
Israel
Jordan
Kuwait
Oman
Qatar
Saudi Arabia
UAE
Yemen

ASIA

Brunei
Cambodia
China
Hong Kong
India
Indonesia
Japan
Korea
Macau
Malaysia
Pakistan
Nepal
Philippines
Singapore
Sri Lanka
Taiwan
Thailand
Vietnam
Laos

AFRICA

Kenya
Mauritius
Seychelles
South Africa
Malawi

AUSTRALASIA

Australia
New Zealand
Papua New Guinea

Countries that have manufacturing facilities.

Leisure

UNDERWATER WORLD SINGAPORE

Underwater World Singapore ('UWS') posted a decline in visitorship in 2008 against 2007, reflecting the impact of the global economic slowdown on consumer sentiments and discretionary spending across all markets.

Based on our monitoring and assessment of market conditions, we adjusted entry fees and put greater emphasis on marketing to locals, in order to cushion the impact of the slowdown. UWS continues to provide affordable quality edutainment to senior citizens, schools, community clubs and residents' committees and also tailors admission and programme packages to suit the requirements of government agencies. UWS remains a popular attraction for such agencies. We also saw considerable growth in community clubs & residents' committee visits to UWS.

To deal with the challenging business conditions, UWS pushed forward with new unique exhibits such as 'Ocean Invaders' and 'Masters of Disguise', to maintain public interest and to differentiate ourselves from other aquariums in the region.

UWS marked the Lunar New Year with the launch of the spotted Ratfish exhibition. It featured the world's largest Zodiac Wheel of Fortune Tank, in the shape of an ancient gold coin that spanned 3 metres in diameter. While the 12 zodiac signs of the Chinese calendar embellished the outer edge of the gold coin, its inner rim carried 12 auspicious words such as prosperity, success, happiness and peace. In the spirit of the new year, visitors were offered the opportunity to 'discover' their own fortunes for the coming year by inserting a $1 coin into the specially made machine; the dropped coin activates a running light that stops at one of the auspicious words. Monies collected were donated in full to Rainbow Centre Balestier Special School, which serves children with multiple disabilities and disabilities associated with neurological conditions.

For its mid-year display, UWS launched the "Ocean Invaders", miniature remotely operated vehicles (ROVs) that could be controlled by visitors. It was the first oceanarium to offer this attraction. In real life, submersible ROVs are used for underwater filming and scientific studies of marine life in waters that are unsafe for researchers to dive into, for search and rescue in the ocean, and for conducting offshore surveys and inspections of ships, oilrigs and pipelines. In marine aquaculture, they are handy for the inspection of fish cages and clam beds. The miniature ROVs at UWS offered visitors a close-up view of passing fishes on a television screen fitted near the ROV console.

In November 2008, UWS launched the 'Masters of Disguise'. It featured species known as the Mimic Octopus, the Giant Pacific Octopus, the Pharaoh Cuttlefish and the Chambered Nautilus, and provided glimpses of some remarkable life forms found in the deep seas. Each of these animals is from the Cephalopods family, members of which possess well-developed senses, and is housed in a specially designed tank to best showcase its unique ability. All of them use special camouflaging techniques that help protect them from predators by blending into the environment. In response to the economic downturn, UWS offered two local year-end price promotions instead of the usual single one.

The global economic downturn, which has caused a decline in tourists' arrivals to Singapore and a weak propensity to spend, will continue to pose challenges to the business of UWS. To mitigate the impact, efforts will be redirected toward focusing on domestic visitors, corporate groups and schools, as well as on increasing the yield per pax through upselling of products and services.

UNDERWATER WORLD PATTAYA

Underwater World Pattaya (UWP) in 2008 was affected by the global economic crisis and uncertainties in Thailand. The continued decline in local visitors was also the main cause for the overall reduction in visitorship despite an increase in foreign visitorship. UWP has stepped up efforts to offer interesting activities and attractive promotions to bring back the locals. In Chonburi, UWP has maintained its status as the most interesting leisure attraction for tourists and locals, in comparison with other attractions.

UWP celebrated her 5th anniversary in October 2008 which was a significant milestone for the aquarium. UWP has received 2.7 million visitors since it opened five years ago, and has remained a very popular attraction amongst the visitors, despite the odds. To commemorate the auspicious occasion, UWP launched a "Save the Sea Turtle" campaign with a Baht 100,000 pledge towards sea turtle conservation. The event was graced by local the former Minister of Tourism and Sport, the Pattaya City Mayor and several other dignitaries.

UWP scored several "firsts" in Thailand in 2008 with the launch of its "Giant Siam" exhibit in January 2008, the "Crabs" exhibit in April 2008 and the innovative "On-line Booking of Admission Tickets". Other activities included a "Children's Day" programme in January 2008 and a Christmas Eve activity to hype up the Christmas period. In October 2008, UWP won a consolation prize for being disabled friendly and was the only attraction in Pattaya to win a prize in this nation-wide competition.

In view of the global economic downturn and negative impact of the Suvarnabhumi airport closure for 8 days, the forecast of foreign tourists to Thailand in 2009 will drop. There are also challenges in competition from other attractions within the country. UWP will need to compensate this drop with more aggressive marketing efforts targeting on local markets without neglecting current efforts with foreign markets.

CHENGDU OCEANARIUM

The construction of the oceanarium is on track and is expected to be completed by the middle of 2009. Although the integrity of the structure is not affected, the overall progress has been delayed as a result of the Sichuan earthquake in 2008.

Property & Investments

PROPERTY

The Group's property portfolio comprises 45,880 square metres of commercial and industrial space in Singapore, Malaysia and Hong Kong.

Singapore

Haw Par Centre and Haw Par Glass Tower are two office buildings with a total lettable area of 13,567 square metres. Both buildings were well leased with Haw Par Glass Tower and Haw Par Centre achieving 100% and 96% respectively in the second half of the year.

Haw Par Technocentre and Setron Building are two light industrial buildings with a total lettable area of 27,470 square metres. In March 2008, Setron Building was surrendered back to the Housing & Development Board (HDB) due to the planning review for a comprehensive redevelopment of the area by the authorities. The total lettable area of industrial space for the Group was correspondingly reduced from 27,470 square metres to 15,707 square metres. Haw Par Technocentre, with its good location, achieved 100% occupancy in the second half of the year.

Malaysia

Menara Haw Par, a freehold commercial building in Kuala Lumpur, has a net lettable area of 16,131 square metres. In view of the continued over-supply of office space in Kuala Lumpur, the building managed to maintain an average occupancy of 86%.

Hong Kong

Three office/industrial units at Westlands Centre, which provide a lettable area of 475 square metres, have been fully leased.

INVESTMENTS

The Group has substantial investments in various securities that are actively managed under the guidance of the Investment Committee.

These investments have provided the Group with a stable source of recurring dividend income and financial strength over the years.

People & The Community

In line with the Group's corporate social responsibility mission, contributions were made to charitable organizations and educational concerns. Some of these included the President's Challenge, Shan You Counselling Centre and Nanyang CCC Welfare and Education Fund. A contribution was also made to Sichuan Earthquake Relief Fund in 2008.

Staff of the Haw Par Group continued in their annual tradition of community service and bringing cheer to the less fortunate. An outing was organized to bring children from Singapore School of the Visually Handicapped to UWS in November 2008.

CONSERVATION

The Group continued in its support of the conservation of wildlife and endangered animals through the sponsorship of the Malayan Tiger Exhibit at the Night Safari and the Leopard Exhibit at the Singapore Zoo.

UWS BLUE MISSION

Young Marine Biologist Award (YMBA) 2008

The Young Marine Biologist Award is an annual, non-commercial contest for students, launched by UWS in Year 2002. As a key member of the International Year of the Reef ('IYOR') 2008 Singapore Working Committee, UWS took this initiative a step further by launching YMBA 2008, a contest focusing on the activity of blogging, an increasingly popular one amongst the younger generation.

The contest was opened to students of local and international schools, in teams of 2 to 3 members. Students were asked to read and learn about coral reefs, and to set up blogs aimed at inspiring people to help protect the oceans and coral reefs. 150 blog entries from Primary, Secondary, Tertiary and International Schools were received. 8 winning teams were selected based on relevance, factual accuracy, presentation and creativity, and crediting. The judge for this contest was Professor Chou Loke Meng, from the Department of Biological Sciences of the National University of Singapore, and an honorary member of UWS Education Advisory Panel. Cash prizes and school trophies were presented to the winners by Mr Mike Barclay, CEO of Sentosa Leisure Group on 28 November 2008.

Clean and Green Week Schools' Carnival Adopt-a-School Program

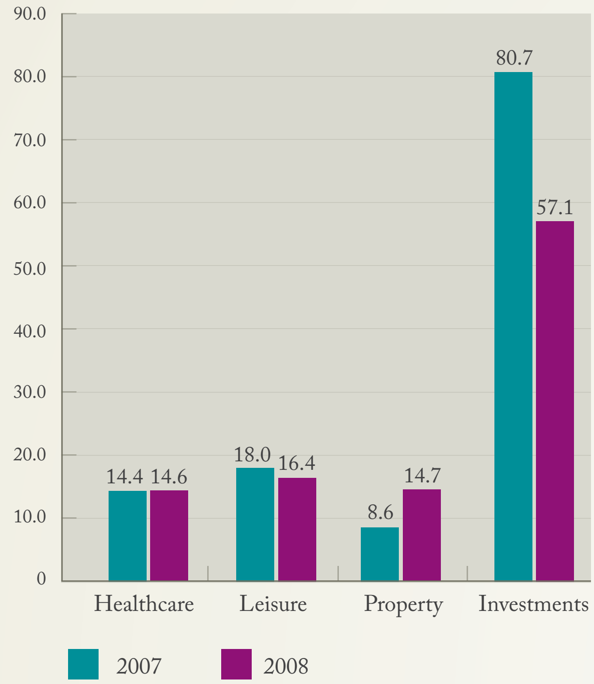
Keming Primary School, UWS's sponsored school for 5 years running, presented a conservation awareness project during the carnival from 5 to 6 November 2008 at the Suntec City Convention Centre. The National Environment Agency presented UWS with a certificate of Appreciation and Sustained Partnership towards the end of the event.

Sungei Buloh's 15th Anniversary celebrations

UWS has been a supporter of Sungei Buloh Wetland Reserve ('SBWR')'s programme over the years. These include the Marine Fish Programme and the Sister Wetlands Affiliation Programme. This year, UWS sponsored child admission tickets and an educational talk in celebration of SBWR's 15th Anniversary. UWS received a token of appreciation from Senior Minister Goh Chok Tong, in recognition of its support and contribution towards the 15th Anniversary celebrations.

Segment Profits Before Interest and Tax

($ million)



Return on Assets Employed

(%)

OVERVIEW

Group turnover for FY2008 closed at $122.1m, 2% higher than 2007. Sales from healthcare division remained flat whilst the good growth of 37% for property division made up for the lower revenue experienced by leisure division during the year.

Group earnings decreased by 51% to $78.3 million as compared to 2007, a result of lower investment income and net loss on revaluation of investment properties. Earnings per share also decreased to 39.6 cents (2007: 77.8 cents) accordingly.

Net tangible assets per share decreased to $6.63 (2007: $9.71) from a decrease in fair value of its available-for-sale financial assets.

RETURN ON ASSETS EMPLOYED

The Group applies a Return of Assets Employed ("ROA") measure to evaluate the performance of its business operations. The ROA measures profitability of assets utilised by the various operations.

In 2008, Group ROA decreased to 4.5% (2007: 9.3%). The marginal decline of ROA of the healthcare division is caused by an increase in working capital. ROA of the leisure division weakened with lower profitability from Underwater World Singapore and pre-operating costs incurred for the new Chengdu oceanarium, despite better performance from Underwater World Pattaya. ROA of the property division, driven by higher rental rates and occupancy rates, improved from 4.7% to 6.0%. ROA of the investment division only recorded a marginal decrease from 4.5% to 3.7%, despite the lower dividends received due to a substantial decrease in fair value of the available-for-sale financial assets.

Healthcare
(Sales of Tiger Brand Products)

($ million)

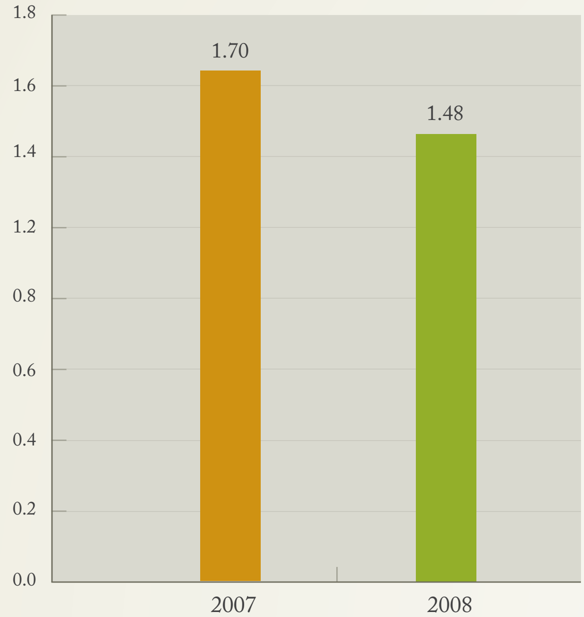
SEGMENTAL INFORMATION

Healthcare

Healthcare division performance turned in a flat year against 2007. Turnover and profit contribution was reported to be almost the same as last year at $71.1m and $14.6m respectively. Territorial mix of the sale of Tiger brand products show favourable growth in Middle Eastern markets and certain European on markets as opposed to lower sales in North American and certain Asian markets.

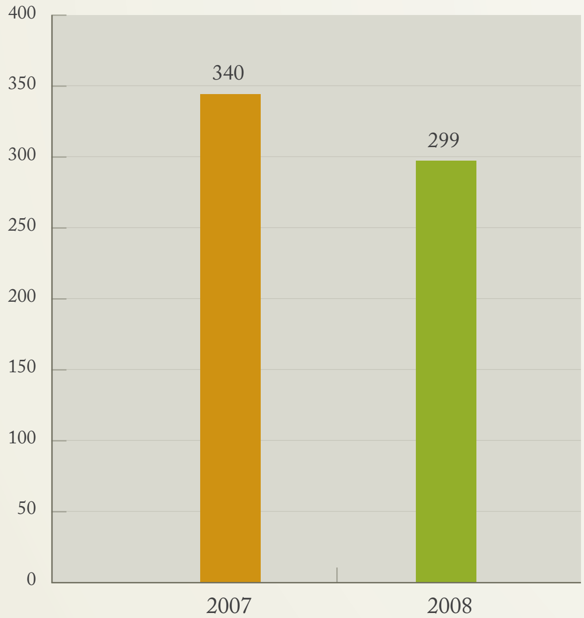
Underwater World Singapore (No. of Visitors)

(million)



Underwater World Pattaya (No. of Visitors)

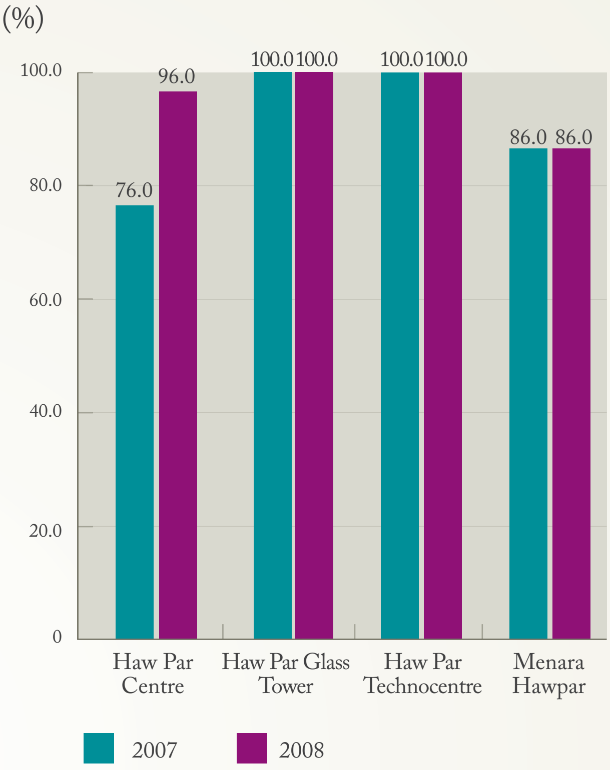
('000)



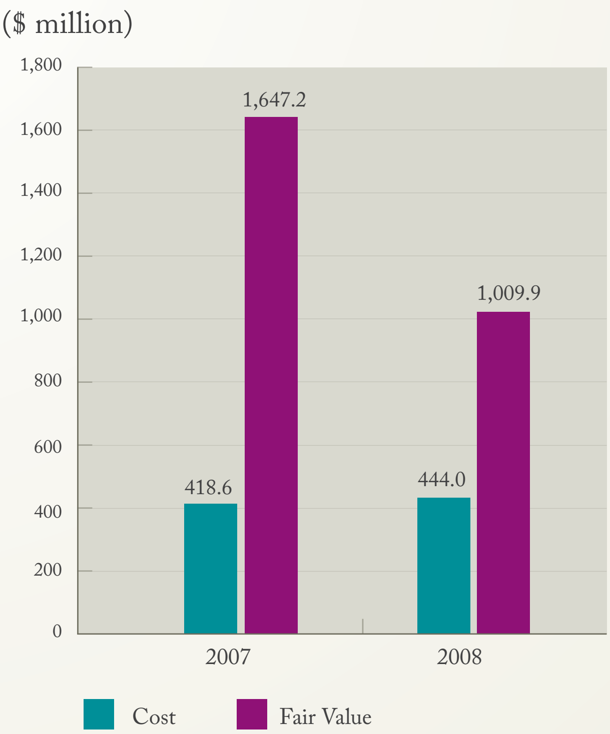
Leisure

Revenue for the leisure division has been affected by the weakening tourism industry on the back of the global economic slowdown with Underwater World Singapore and Underwater World Pattaya suffering a 13% and 12% drop in visitorship respectively. With such declining visitorship and the pre-operating expenses at Chengdu oceanarium, the overall profitability of the leisure division decreased by 9% to $16.4m.

Property
(Building Occupancy Rates)



Investment
(Cost vs Fair Value)



Property

Profit for the property division, excluding the gain on sale of Setron building, improved 42% year-on-year to $12.3 million due to higher occupancy and rental rates achieved. The Group also recorded a 8%, or $15.6 million decrease in fair value of investment properties.

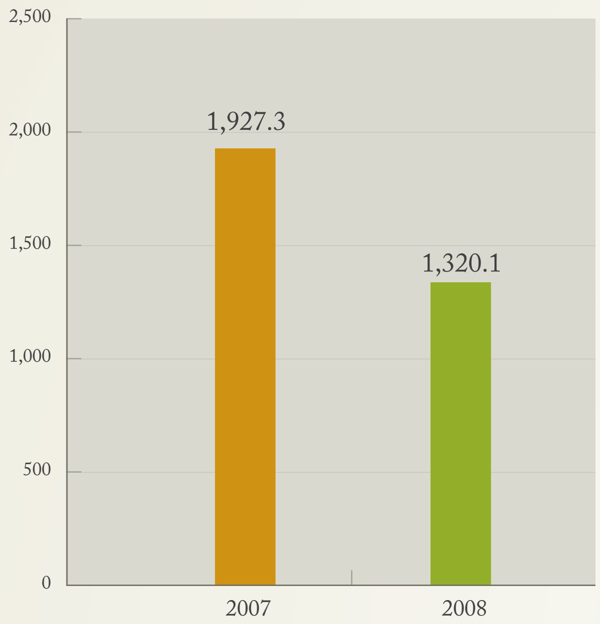
Investments

The decrease in investment income by 31% year-on-year to $49.9 million is due to lower dividends received from our investment portfolio.

Albeit the current depressed market outlook, the Group's investment portfolio managed to sustain a valuation surplus of $565.9 million.

Shareholders' Funds

($ million)



FINANCIAL POSITION

Shareholders' funds decreased 32% to $1.3 billion mainly due to the lower revaluation surplus derived from the fair valuation of the Group's financial assets and investment properties, in tandem with the current market conditions.

The Group ended the financial year with net cash balances of $67.1 million, after dividend payments of $49.4 million. Cash generated by operating activities was a healthy $88.3 million.

DIVIDENDS

A second & final dividend of 14 cents per share is being proposed at the coming Annual General Meeting.

Share Price & Trading Volume

	2004	2005	2006	2007	2008
SHARE PRICE ($)					
Last Done	5.15	5.15	7.10	7.11	**3.81**
High	5.40	5.45	7.50	8.45	**7.61**
Low	4.46	4.96	5.10	6.55	**2.81**
PER SHARE					
Earnings (cents)	35.4	38.8	51.6	77.8	**39.6**
Dividend net (cents)	17.0	19.0	20.0	25.0	**20.0**
Dividend cover (times)	2.1	2.0	2.6	3.1	**2.0**
Net tangible assets per share ($)	2.80	6.26	8.61	9.71	**6.63**

The Board of Directors ("the Board") and management of Haw Par Corporation Limited ("the Company", collectively with its subsidiaries "the Group") is committed to uphold good corporate governance practices to safeguard the interests of its shareholders. Corporate governance practices in the Group adhere and align with best practices set out in the Code of Corporate Governance 2005 (the "Code"). The following describes the Group's corporate governance practices with specific references to the Code.

BOARD MATTERS

Principle 1: Board's Conduct of its Affairs

The principal responsibilities of the Board include:

- approving strategic plans and annual budgets;
- approving major funding, investment and divestment proposals;
- approving the appointment of Directors to the Board;
- ensuring management maintains a sound system of internal controls, risk management, financial reporting and statutory compliance;
- reviewing the performance of management; and
- approving the announcement of financial results and declaration of dividends.

The Board meets at least four times a year to review performance and business strategy of the Group. Meetings are scheduled in advance in the preceding year, with ad-hoc meetings called when there are important and urgent matters requiring the Board's consideration and approval in between the scheduled meetings.

The Group has adopted internal guidelines, which set out matters requiring board approval. These guidelines also include limits of authority given to management to facilitate operational efficiency.

The Board has delegated specific responsibilities to four Committees, namely, the Audit, Nominating, Remuneration and Investment Committees. The composition of each Committee is set out in the table as follows:

Name	Audit Committee	Nominating Committee	Remuneration Committee	Investment Committee
Wee Cho Yaw	N/A	Member	Member	Chairman
Wee Ee Lim	N/A	N/A	N/A	Member
Sat Pal Khattar	N/A	Chairman	Chairman	N/A
Reggie Thein	Chairman	N/A	N/A	N/A
Hwang Soo Jin	Member	N/A	Member	N/A
Lee Suan Yew	Member	Member	N/A	N/A
Chng Hwee Hong	N/A	N/A	N/A	Member
Han Ah Kuan	N/A	N/A	N/A	Member

N/A – Not Applicable

The Board held four meetings during the year. The attendance of Directors at meetings of the Board and the Committees was as follows:

Number of meetings attended in 2008					
Name	**Main Board**	**Audit Committee**	**Nominating Committee**	**Remuneration Committee**	**Investment Committee**
Wee Cho Yaw	4		1	1	10
Wee Ee Lim [(1)]	4	4		1	10
Sat Pal Khattar	3		1	1	
Reggie Thein	3	4			
Hwang Soo Jin	3	3		1	
Lee Suan Yew	4	4	1		
Lim Kee Ming	4				
Wee Ee Chao	4				
Chng Hwee Hong	4				8
Han Ah Kuan	4				10
Number of meetings held in 2008	**4**	**4**	**1**	**1**	**10**

[(1)] Mr Wee Ee Lim was in attendance at the meetings of the Audit and Remuneration Committees although he is not a member of either Committee to provide input to the Committees.

Appropriate training and comprehensive orientation program to familiarise newly appointed Directors with the Group's businesses, strategic plans, objectives and site visits are organised as necessary.

The Directors are continuously updated on changes to important relevant laws and regulations in the Companies Act, other relevant legislation and industry-related matters.

Principle 2: Board Composition and Guidance

There are ten Directors on the Board. The Nominating Committee ("NC"), having regard to the Code's guidance for assessing independence, is of the view that five Non-Executive Directors were independent and no individual or small group of individuals dominated the decisions of the Board.

The Board regards its current size to be appropriate for the Group. Collectively, the Board contributes a range of relevant knowledge and industry experiences that enables management to benefit from their diverse and objective views on issues brought before the Board.

Principle 3: Chairman and Chief Executive Officer

There is a clear separation of the role of the non-executive Chairman and the Chief Executive Officer ("CEO"), who is also the son of the Chairman. The Chairman's principal role is to lead and guide the Board while the CEO has executive responsibilities over the Group's day-to-day operations.

Principle 4: Board Membership

The NC comprises three members, the majority of which, including the chairman of the NC, are independent Directors. The Chairman of the NC is neither a substantial shareholder of the Company nor directly associated with a substantial shareholder of the Company. The NC makes annual recommendations to the Board on all board appointments as well as re-nomination of Directors having regard to their contributions and performance. Directors with multiple board memberships are also assessed on their ability and availability to carry out their duties. At each Annual General Meeting ("AGM"), one-third of the Board are required to retire from office by rotation and submit themselves for re-election. Directors who are above the age of 70 are also statutorily required to seek re-appointment at each AGM. Key information regarding the Directors is provided under the Board of Directors section of this Annual Report.

Principle 5: Board Performance

The NC evaluated the performance of the Board as a whole taking into consideration, amongst other things, the Board's discharge of its principal responsibilities, earnings of the Group, return on equity and the share price performance of the Company. The NC is of the opinion that the Board had performed well during the year, taking into account the economic circumstances worldwide.

The Chairman of the Board and the Chairman of the NC evaluate the performance and contribution of individual Directors as to their effectiveness on the Board, including the achievement of financial objectives for Executive Directors, and are of the view that the performance of each of them has been more than satisfactory.

Principle 6: Access to Information

The Board is provided with adequate and timely information by management which includes quarterly management reports highlighting the Group's financial performance and position, draft announcements of financial results and matters requiring Board's decision, at least five working days prior to Board meetings. Board meetings for each year are scheduled in advance in the preceding year to facilitate directors' arrangements with regards to competing commitments.

The Board has unrestricted access to the senior management and the Company Secretary at all times. The Company Secretary attends all Board and Committee meetings and ensures that the Company complies with all regulatory requirements. The Board is also provided with opportunities to meet with managers and head of divisions to deepen its understanding of the business.

The Audit Committee meets the external and internal auditors separately at least once a year, without the presence of the President and CEO and Senior Management, in order to have any access that may be required.

To assist the Directors to carry out their duties and if needed, the Company will, with the approval of the Chairman, appoint independent professional advisors to render the appropriate advice at its expense.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The Remuneration Committee ("RC") comprises three members, the majority of whom, including the chairman of the RC, are independent Directors. The RC is supported by Group Human Resource and/or professional advice as and if needed.

The principal responsibilities of the RC are:

- to recommend to the Board for its endorsement, a framework of remuneration for Directors and key executives;
- to determine the remuneration packages for the Executive Directors including the President and CEO;
- to review the remuneration packages for key executives; and
- to administer the Company's share option schemes.

During the year, the RC has recommended the amount of directors' fees to be paid to the Non-Executive Directors, assessed the performance and determined the bonus and salary components for the Executive Directors, reviewed the remuneration packages for key executives and granted share options to eligible staff and set the terms thereof.

Principle 8: Level and Mix of Remuneration

The RC takes into consideration current industry norms on compensation and adopts a remuneration policy reflective of industry practices which is responsive to the market. None of the Non-Executive Directors are on service contracts or have consultancies with the Company. Only Non-Executive Directors, including the Chairman of the Board, are paid directors' fees which comprise basic fees and additional fees for serving on Board committees. Directors' fees recommended by the RC are submitted for endorsement by the Board and payment of these fees is subject to shareholders' approval at each annual general meeting. None of the Non-Executive Directors has been granted share options although the Company's share option scheme allows for such grants.

The remuneration packages of the CEO and the Executive Directors include a variable bonus element, which is performance-based. Share options are only granted to the Executive Directors and eligible key executives.

Principle 9: Disclosure of Remuneration

Details of the share option schemes are disclosed in the Report of the Directors.

The details of the remuneration of each individual Director and the top five key executives are as follows:

Name	Directors' Fees %	Base or fixed salary %	Variable bonus %	Benefit-in-kind and others %	Total %	Share options granted No. of shares
$750,000 to $1,000,000						
Wee Ee Lim	-	58	33	9	100	-
$500,001 to $750,000						
Chng Hwee Hong	-	49	27	24	100	48,000
Han Ah Kuan	-	48	24	28	100	48,000
Below $250,000						
Wee Cho Yaw	100	-	-	-	100	-
Sat Pal Khattar	100	-	-	-	100	-
Reggie Thein	100	-	-	-	100	-
Hwang Soo Jin	100	-	-	-	100	-
Lee Suan Yew	100	-	-	-	100	-
Lim Kee Ming	100	-	-	-	100	-
Wee Ee Chao	100	-	-	-	100	-

Top 5 Key Executives

Number of executives of the Group in remuneration bands:

$250,001 to $500,000	4
Below $250,000	1

The names of these executives are not disclosed due to confidentiality reasons.

There were no employees who were immediate family members of the Directors or the CEO. Immediate family members means the spouse, child, adopted child, step-child, brother, sister and parent.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Management provides the Board with relevant and timely information on actual performance, financial position and business prospects on a quarterly basis. Price-sensitive information, including announcements of financial results, is released to shareholders through the SGXNET and the Group's website. The Company's Summary Financial Report is sent to all shareholders and its Annual Report is available on request and accessible on the Company's website.

Principle 11: Audit Committee

The Audit Committee ("AC") comprises three members, all of whom are independent Directors. The chairman of the AC is a senior accountant with over 40 years' experience in the profession while the rest of the members have substantial business experience. The Board is of the view that the members of the AC have the requisite accounting, financial management expertise and experience to discharge the AC's responsibilities effectively.

The principal responsibilities of the AC are:

- to review and approve the audit plans of the internal and external auditors;
- to consider the auditors' evaluation of the system of internal controls;
- to recommend the re-appointment of external auditors and approve the compensation of the external auditors;
- to review annually the independence and objectivity of the external auditors, the cost effectiveness of the audit, and the nature and extent of non-audit services;
- to ensure adequacy, independence, effectiveness and objectivity of the internal audit function and that it meets professional standards;
- to review the Group's quarterly and full year results and annual financial statements for approval by the Board, and the appropriateness and consistency of accounting principles and policies adopted across the Group, including significant financial reporting issues and judgements;
- to review the risk management policies and processes ;
- to build consensus among Board members/management on acceptable risk levels;
- to review interested person transactions on a quarterly basis.

During the year, the AC had fulfilled its responsibilities as stated above. In the review of non-audit services, the AC was satisfied that they were not material and would not affect the independence of the external auditors. It has recommended to the Board to re-appoint PricewaterhouseCoopers LLP as auditor for financial year 2009.

The AC has full authority to investigate any matter when alerted on issues of internal controls, suspected fraud or irregularity. It has full access to and cooperation of the Management and full discretion to invite any staff to attend its meetings.

Principle 12: Internal Controls and Risk Management

During the year, the AC met four times with the internal and external auditors to review their audit plans and evaluation of internal controls of the Group. It also met with the internal and external auditors separately without the presence of the Management. The AC adopts key principles from "Guidebook for Audit Committee in Singapore", issued by the Audit Committee Guidance Committee in Singapore.

Based on the reports by the internal and external auditors and review undertaken by the AC, the Board was satisfied that the internal controls of the Group were adequate to safeguard its assets and to meet the needs of the Group in its current business environment.

The Group has established a formal risk management framework across the entire organisation to provide a structured approach to ensure that all risks are identified, mitigated and managed. The Risk Management Committee, chaired by the CEO and comprising four other senior key executives (including 2 executive directors), oversees various aspects of control and risk management policies and processes of the Group. It meets semi-annually to review risk management across the Group and reports annually to the AC on its findings and actions taken to address the key risks identified.

Major operational risks such as competition, manufacturing capability, regulatory compliance and business interruption are managed by leveraging on the Group's experience and knowledge of local market conditions, taking out appropriate insurance coverage, and having effective business continuity plans. Financial risks are mitigated by using appropriate hedging instruments and actively managing foreign exchange and credit exposures. Further details on managing financial risks are disclosed in Note 28 on Page 100 of the Annual Report.

Principle 13: Internal Audit

The Company has an in-house internal audit ("IA") department comprising four staff. The role of IA is to render support to the AC in ensuring that the Group maintains a sound system of internal controls by performing regular monitoring and testing of key controls and procedures and undertaking investigations as requested by AC. The IA plans its internal audit schedule in consultation with management and submits its plan to AC for approval at the beginning of the year. The Group Internal Audit Manager reports to the chairman of the AC on audit matters and to the CEO on administrative matters. Internal audit reviews were carried out on all significant business units in the Group and a summary of findings and recommendations are discussed during each AC meeting. The internal audit function meets the standards set by recognised professional bodies. The AC is of the view that the internal audit function is adequately resourced and has appropriate standing within the Group.

Principles 14 and 15: Communication with Shareholders

The Company strives to facilitate effective communication and convey to its shareholders pertinent information in a regular and timely manner. Communication is generally made through annual reports, press releases, SGXNET announcements and its website at http://www.hawpar.com. When matters requiring shareholders' meetings are to be held, notices are published in the newspapers and reports or circulars are sent in a timely manner to all shareholders.

The CEO, Group Financial Controller and the Corporate Communications Manager hold regular meetings with research analysts, fund managers and institutional investors to review the Company's performance and provide investors with a better understanding of the Group's businesses.

At AGMs, shareholders are invited to raise questions on any matters that need clarification and appropriate responses are given. The chairpersons of the AC, NC and RC as well as the external auditors are present at the AGMs to address all queries from shareholders.

The reception after the AGM provides an opportunity for shareholders to informally communicate their views and expectations to the Company.

The Company's Articles of Association allow a shareholder to appoint one or two proxies to attend and vote at the Company's general meetings. Separate resolutions on each distinct issue are tabled at the general meetings.

OTHER GOVERNANCE PRACTICES

Investment Committee

The Investment Committee ("IC") is headed by the Chairman of the Board and comprises three other Executive Directors. The Committee meets monthly to review the Group's investments and funding requirements. The role of the IC is to review the risk portfolio of the Group, in terms of investments and key operating units, in relation to their performance and the related market risks (including currency risk, price risk, credit risk and liquidity risk).

Interested Person Transactions

During the year, there were no interested person transactions entered into by the Company and any Director that required disclosure under the Listing Rules.

Material Contracts

Except as disclosed in page 95 (Note 24 - Related Party Transactions) of the annual report, there were no other material contracts of the Company or its subsidiaries involving the interests of the CEO, any director or controlling shareholder, subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Dealings in Securities

The Group adopts the Best Practices Guide with respect to dealings in securities issued by the Singapore Exchange Securities Trading Limited. It has a policy which prohibits its officers from dealing in the securities of the Company during the period commencing two weeks before the announcement of the financial results for each of the first three quarters and one month before the announcement of the full year results.

The Company issues guidelines periodically to Directors and employees reminding them of the prohibitions in dealing with the Company's securities while in possession of material unpublished price-sensitive information and awareness of the applicability of the insider trading laws.

Statutory Reports & Financial Statements

CONTENTS

Directors' Report

For the financial year ended 31 December 2008

The Directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2008 and the balance sheet of the Company as at 31 December 2008.

DIRECTORS

The Directors of the Company in office at the date of this report are as follows:

Wee Cho Yaw	*(Chairman)*
Wee Ee Lim	*(President & Chief Executive Officer)*
Sat Pal Khattar	
Reggie Thein	
Hwang Soo Jin	
Lee Suan Yew	
Lim Kee Ming	
Wee Ee Chao	
Chng Hwee Hong	*(Executive Director)*
Han Ah Kuan	*(Executive Director)*

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of the financial year, nor at any time during the financial year, did there subsist any arrangements to which the Company was a party, whereby Directors might acquire benefits by means of the acquisition of shares, warrants, share options in, or debentures of, the Company or any other body corporate, other than pursuant to the Haw Par Corporation Group 2002 Share Option Scheme ("2002 Scheme").

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Directors holding office at 31 December 2008 had no interests in the shares, warrants, share options in, or debentures of, the Company and/or its subsidiaries as recorded in the register of Directors' shareholdings kept by the Company under Section 164 of the Companies Act, Cap 50 except as follows:

	Direct interest as at			Deemed interest as at		
	1.1.2008 or date of appointment (if later)	31.12.2008	21.1.2009	1.1.2008 or date of appointment (if later)	31.12.2008	21.1.2009
Interest in the Company's ordinary shares						
Wee Cho Yaw	993,067	993,067	993,067	58,424,370	59,544,370	59,544,370
Wee Ee Lim	397,448	397,448	397,448	54,126,958	55,246,958	55,246,958
Sat Pal Khattar	60,500	60,500	60,500	15,972	15,972	15,972
Hwang Soo Jin	30,000	30,000	30,000	–	–	–
Lim Kee Ming	49,606	49,606	49,606	125,752	125,752	125,752
Wee Ee Chao	12,570	12,570	12,570	54,248,438	55,368,438	55,368,438
Chng Hwee Hong	244,400	244,400	244,400	–	–	–
Han Ah Kuan	14,000	14,000	14,000	–	–	–

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (continued)

	Direct interest as at			Deemed interest as at		
	1.1.2008 or date of appointment (if later)	31.12.2008	21.1.2009	1.1.2008 or date of appointment (if later)	31.12.2008	21.1.2009
Options to subscribe for the Company's ordinary shares *(Under the 2002 Scheme)*						
Chng Hwee Hong	144,000	192,000	192,000	–	–	–
Han Ah Kuan	48,000	96,000	96,000	–	–	–

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Director has received or has become entitled to receive benefits required to be disclosed by Section 201(8) of the Companies Act, Cap 50 by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except those disclosed in Note 24 to the financial statements.

SHARE OPTIONS

Haw Par Corporation Group 2002 Share Option Scheme

The 2002 Scheme was approved by members of the Company at an Extraordinary General Meeting held on 22 May 2002. The 2002 Scheme is granted to key management personnel and directors (including non-executive directors) of the Company and the maximum life-span of exercising the options is 10 years. The exercise price of the options is determined at the average of the closing prices of the Company's ordinary shares as quoted on the Singapore Exchange for five market days immediately preceding the date of the grant. The options are exercisable beginning on the first anniversary from the date when the options are granted or the second anniversary if the options are granted at a discount to the market price. The share option scheme size shall not exceed 15% of the total number of issued shares of the Company on the day preceding grant date and exercise prices are allowed to be set at discounts of up to 20% to their market price.

As at 31 December 2008, options to subscribe for unissued shares of the Company under the 2002 Scheme were as follows:

	Number of shares covered by the options					
Date of grant	Balance at 1.1.2008 or date of grant (if later)	Cancelled	Exercised	Balance at 31.12.2008	Exercise Price	Exercise Period
20.6.2003	16,000	–	16,000	–	$3.96	20.6.2004 - 19.6.2008
18.5.2004	20,000	–	–	20,000	$4.80	18.5.2005 - 17.5.2009
19.5.2005	113,000	–	19,000	94,000	$5.11	19.5.2006 - 18.5.2010
2.3.2006	156,000	–	26,000	130,000	$5.52	2.3.2007 - 1.3.2011
2.3.2007	372,000	56,000	–	316,000	$7.54	2.3.2008 - 1.3.2012
3.3.2008	400,000	61,000	–	339,000	$6.47	3.3.2009 - 2.3.2013
	1,077,000	117,000	61,000	899,000		

SHARE OPTIONS (continued)

In 2008, options to subscribe for 400,000 unissued shares in the Company at the exercise price of $6.47 per share were granted under the 2002 Scheme. No options have been granted at a discount to the market price of shares of the Company.

During the financial year, options to subscribe for 117,000 unissued shares were cancelled and 61,000 shares were issued by virtue of the exercise of options, the details of which are set out above. The market prices on the dates of exercise ranged from $6.00 to $7.42.

Other information required by the Singapore Exchange Securities Trading Limited (Pursuant to Listing Rule 852 of the Singapore Exchange Listing Manual)

(1) The share option schemes of the Company are administered by the Remuneration Committee, comprising the following Directors:

Sat Pal Khattar *(Chairman)*
Wee Cho Yaw
Hwang Soo Jin

(2) The details of options granted to the Directors of the Company under the 2002 Scheme are as follows:

Name of director	Number of shares comprised in options granted during the financial year	Aggregate number of shares comprised in options granted since commencement of scheme to 31.12.2008	Aggregate number of shares comprised in options exercised since commencement of scheme to 31.12.2008	Aggregate number of shares comprised in options that have expired since commencement of scheme to 31.12.2008	Aggregate number of shares comprised in options outstanding as at 31.12.2008
Wee Ee Lim	–	48,000	48,000	–	–
Chng Hwee Hong	48,000	336,000	144,000	–	192,000
Han Ah Kuan	48,000	268,000	172,000	–	96,000

(3) no options are granted to controlling shareholders of the Company and their associates of the Company;

(4) no participant has received 5% or more of the total number of options available under the share option scheme;

(5) no options have been granted at a discount to the market price of shares of the Company for the financial year ended 31 December 2008; and

(6) options granted by the Company do not entitle the holders of the options, by virtue of such options, any right to participate in any share issue of any other company in the Group.

AUDIT COMMITTEE

The Audit Committee comprises three members, all of whom are independent Directors. The members of the Audit Committee are as follows:

Reggie Thein *(Chairman)*
Hwang Soo Jin
Lee Suan Yew

In accordance with Section 201B(5) of the Companies Act, Cap 50, the Audit Committee has reviewed with the Company's internal auditors their audit plan and the scope and results of their internal audit procedures. The Committee has also reviewed with the Company's independent auditor, PricewaterhouseCoopers LLP, their audit plan, their evaluation of the system of internal accounting controls, their audit report on the balance sheet of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2008 and the assistance given by the officers of the Group to them. The balance sheet of the Company and the consolidated financial statements of the Group have been reviewed by the Committee prior to their submission to the Board of Directors.

The Committee has recommended to the Board of Directors the re-appointment of PricewaterhouseCoopers LLP as independent auditor of the Company.

INDEPENDENT AUDITOR

PricewaterhouseCoopers LLP has expressed its willingness to accept re-appointment as independent auditor of the Company and a resolution proposing its re-appointment will be submitted at the forthcoming Annual General Meeting.

On behalf of the Board

Wee Cho Yaw
Chairman

Wee Ee Lim
President & Chief Executive Officer

Singapore
27 February 2009

Statement By Directors Pursuant To Section 201(15)

For the financial year ended 31 December 2008

We, Wee Cho Yaw and Wee Ee Lim, being two of the Directors of Haw Par Corporation Limited, do hereby state that, in the opinion of the Directors:

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 49 to 116 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008 and of the results, recognised income and expense and cash flows of the Group for the financial year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board

Wee Cho Yaw
Chairman

Wee Ee Lim
President & Chief Executive Officer

Singapore
27 February 2009

We have audited the accompanying financial statements of Haw Par Corporation Limited ("the Company") and its subsidiaries ("the Group") set out on pages 49 to 116, which comprise the balance sheets of the Company and of the Group as at 31 December 2008, and the consolidated income statement, consolidated statement of recognised income and expense and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

(a) the accompanying balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2008, and the results, recognised income and expense and cash flows of the Group for the financial year ended on that date; and

(b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor, have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers LLP
Public Accountants and Certified Public Accountants

Singapore
27 February 2009

Consolidated Income Statement

For the financial year ended 31 December 2008

	Note	The Group 2008 $'000	The Group 2007 $'000
Revenue	4	**122,109**	119,332
Cost of sales		**(50,351)**	(48,539)
Gross profit		**71,758**	70,793
Other income	5	**55,550**	76,396
Sales and marketing expenses		**(22,935)**	(22,656)
Warehouse and delivery expenses		**(586)**	(780)
General and administrative expenses		**(13,349)**	(14,714)
Profit from operations		**90,438**	109,039
Share of results of associated companies	14	**6,616**	6,129
Fair value (loss)/gain on investment properties	12	**(15,640)**	72,662
Profit before taxation		**81,414**	187,830
Taxation	7	**(2,866)**	(28,700)
Profit for the financial year		**78,548**	159,130
Attributable to:			
Equity holders of the Company		**78,269**	158,983
Minority interests	8	**279**	147
		78,548	159,130
Earnings per share	10		
- Basic		**39.6 cents**	77.8 cents
- Diluted		**39.6 cents**	77.8 cents

The accompanying notes form an integral part of these financial statements.

Balance Sheets

As at 31 December 2008

	Note	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
ASSETS					
Non-current assets					
Property, plant and equipment	11	**35,341**	26,469	**–**	–
Investment properties	12	**197,826**	214,498	**–**	–
Investment in subsidiaries	13	**–**	–	**389,573**	389,613
Investment in associated companies	14	**59,359**	49,995	**2,895**	2,895
Available-for-sale financial assets	15	**758,226**	1,285,747	**828**	937
Intangible assets	16	**11,116**	11,216	**–**	–
		1,061,868	1,587,925	**393,296**	393,445
Current assets					
Available-for-sale financial assets	15	**251,655**	361,433	**–**	–
Inventories	17	**6,558**	5,596	**–**	–
Trade and other receivables	18	**21,685**	20,403	**126,147**	147,209
Tax recoverable		**100**	600	**–**	–
Deposits with banks and financial institutions	19	**43,300**	33,368	**30,228**	20,893
Cash and bank balances	19	**23,785**	18,317	**1,101**	1,102
		347,083	439,717	**157,476**	169,204
Asset held for sale	20	**–**	10,000	**–**	–
		347,083	449,717	**157,476**	169,204
Total assets		**1,408,951**	2,037,642	**550,772**	562,649
LIABILITIES					
Current liabilities					
Trade and other payables	21	**(33,131)**	(28,645)	**(165,500)**	(224,550)
Taxation		**(7,604)**	(7,154)	**(115)**	(272)
		(40,735)	(35,799)	**(165,615)**	(224,822)
Non-current liabilities					
Deferred income taxation	22	**(41,134)**	(67,655)	**–**	–
		(41,134)	(67,655)	**–**	–
Total liabilities		**(81,869)**	(103,454)	**(165,615)**	(224,822)
NET ASSETS		**1,327,082**	1,934,188	**385,157**	337,827
EQUITY					
Equity attributable to equity holders of the Company					
Share capital	23	**239,541**	239,238	**239,541**	239,238
Reserves	8	**1,080,524**	1,688,051	**145,616**	98,589
		1,320,065	1,927,289	**385,157**	337,827
Minority interests	8	**7,017**	6,899	**–**	–
Total equity		**1,327,082**	1,934,188	**385,157**	337,827

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Recognised Income and Expense

For the financial year ended 31 December 2008

	Note	The Group 2008 $'000	2007 $'000
Recognised in foreign currency translation reserve			
Equity accounting of associated company's translation reserve	8	**3,347**	1,185
Exchange differences on translation of the financial statements of foreign operations (net)	8	**(600)**	(1,112)
Recognised in fair value reserve			
Fair value (losses)/gains (net of tax) on available-for-sale financial assets	8	**(639,862)**	90,593
Disposal of available-for-sale financial assets	8	**–**	(247)
Net (loss)/income recognised directly in equity		**(637,115)**	90,419
Recognised in share option reserve			
Expensing of share options	8	**516**	533
Recognised in revenue reserve			
Share buyback	8	**–**	(69,645)
Profit for the financial year		**78,548**	159,130
Total recognised (expense)/income for the financial year		**(558,051)**	180,437
Attributable to:			
Equity holders of the Company		**(558,169)**	180,447
Minority interests	8	**118**	(10)
		(558,051)	180,437

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

For the financial year ended 31 December 2008

	Note	The Group 2008 $'000	The Group 2007 $'000
Cash flows from operating activities:			
Profit for the financial year		**78,548**	159,130
Adjustments for:			
Taxation	7	**2,866**	28,700
Share of results of associated companies	14	**(6,616)**	(6,129)
Gain on disposal of an investment property	5	**(2,445)**	–
Fair value loss/(gain) on investment properties	12	**15,640**	(72,662)
Investment income	5	**(49,947)**	(72,235)
Interest income	5	**(1,021)**	(2,263)
Depreciation of property, plant and equipment	11	**3,114**	2,969
Expensing of share options	27	**516**	533
Gain on sale of available-for-sale financial assets		**–**	(306)
Property, plant and equipment written off		**69**	168
Loss on disposal of property, plant and equipment		**3**	–
Inventories written down, net	17	**111**	171
Write back of impairment of receivables		**–**	(73)
Write back of unclaimed dividends	5	**(170)**	(99)
Allowance for impairment in value of available-for-sale financial assets	6	**301**	–
Amortisation of intangible assets	16	**100**	100
Translation losses/(gains)		**589**	(510)
Operating profit before working capital changes		**41,658**	37,494
(Increase)/decrease in inventories		**(1,073)**	377
Increase in receivables		**(1,917)**	(5,112)
Increase in creditors		**4,601**	3,871
Cash generated from operations		**43,269**	36,630
Investment income received		**49,947**	72,235
Interest income received		**720**	2,440
Net taxation paid		**(5,658)**	(18,939)
Net cash provided by operating activities		**88,278**	92,366

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement *(continued)*

For the financial year ended 31 December 2008

	Note	The Group 2008 $'000	The Group 2007 $'000
Cash flows from investing activities:			
Proceeds from capital reduction of available-for-sale financial assets		**898**	3,055
Purchase of long term available-for-sale financial assets		**(3,741)**	(15,290)
Purchase of short term available-for-sale financial assets		**(22,590)**	–
Purchase of property, plant and equipment	11	**(11,938)**	(6,630)
Proceeds received from disposal of available-for-sale financial assets		**–**	1,969
Dividends received from associated companies		**1,285**	1,046
Proceeds from sale of investment property	20	**12,500**	–
Proceeds from sale of property, plant and equipment		**4**	–
Proceeds from redemption of preference shares in long term available-for-sale financial assets		**–**	17
Deferred expenditure incurred		**–**	(200)
Improvements to investment properties	12	**(241)**	(287)
Net cash used in investing activities		**(23,823)**	(16,320)
Cash flows from financing activities:			
Funds used for share buyback		**–**	(82,507)
Proceeds from issue of share capital	23	**303**	1,823
Payment of dividends to shareholders of the Company	9	**(49,358)**	(41,284)
Bank deposits pledged for banker's guarantee		**(124)**	–
Net cash used in financing activities		**(49,179)**	(121,968)
Net increase/(decrease) in cash and cash equivalents		**15,276**	(45,922)
Cash and cash equivalents at beginning of the financial year	19	**51,685**	97,607
Cash and cash equivalents at end of the financial year	19	**66,961**	51,685

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

Haw Par Corporation Limited (the "Company") is incorporated and domiciled in Singapore and is listed on the Singapore Exchange. The address of its registered office is as follows:

401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598.

The Company is the owner of the "Tiger" trademarks and is the holding company of the Group.

The principal activities of the Company are licensing of the "Tiger" trademarks and owning investments for long term holding purposes.

The principal activities of the Group are as follows:

(a) manufacturing, marketing and trading healthcare products;
(b) providing leisure-related services; and
(c) investing in properties and securities.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. An area involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements is disclosed in Note 3.

There are no new or amended Standards and Interpretations effective in 2008 which are relevant to the Group.

(b) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services, in the ordinary course of the Group's activities, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue is recognised as follows:

(1) Sale of goods

Revenue from sale of goods is recognised when a Group entity has transferred to the customer the significant risks and rewards of the ownership of the goods, and collectibility of the related receivables is reasonably assured.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue recognition (continued)

(2) Rendering of services

Revenue from services is recognised upon rendering of services.

(3) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

(4) Dividend income

Dividend income from subsidiaries, associated companies and available-for-sale financial assets is recognised when the right to receive payment is established.

(5) Rental income

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term.

(c) Group accounting

(1) Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than one half of the voting rights and/or controls the majority composition of the Board of Directors. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. Please refer to Note 2(e)(1) for the accounting policy on goodwill on acquisition of subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Group accounting (continued)

(1) Subsidiaries (continued)

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the parent. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minority are recognised in the consolidated income statement, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority recognised in the consolidated income statement until the minority's share of losses previously recognised in the consolidated income statement is fully recovered.

Please refer to Note 2(g) for the Company's accounting policy on investments in subsidiaries and associated companies.

(2) Associated companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanying a shareholding of between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associated companies in the consolidated balance sheet include goodwill (net of accumulated impairment loss) identified on acquisition, where applicable. Please refer to Note 2(e)(1) for the Group's accounting policy on goodwill.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition results net of tax is recognised in the consolidated income statement and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Group accounting (continued)

(2) Associated companies (continued)

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with those of the Group.

Please refer to Note 2(g) for the Company's accounting policy on investments in subsidiaries and associated companies.

(d) Property, plant and equipment

(1) Leasehold land and buildings

Leasehold land and buildings are stated at cost less accumulated depreciation and accumulated impairment losses (Note 2(h)(2)).

(2) Other property, plant and equipment

Plant, equipment, furniture, motor vehicles and marine livestock are stated at cost less accumulated depreciation and accumulated impairment losses (Note 2(h)(2)).

(3) Components of costs

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(4) Depreciation

Depreciation is calculated using a straight-line method to allocate the depreciable amounts of property, plant and equipment over their estimated useful lives as follows:

Leasehold land and buildings	-	50 years or over the term of the lease, whichever is shorter
Plant, equipment, furniture and vehicles	-	4 to 10 years
Marine livestock	-	5 years

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Property, plant and equipment (continued)

(4) Depreciation (continued)

Construction-in-progress assets are not depreciated until they are brought to use. Fully depreciated assets are retained in the financial statements until they are no longer in use.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. The effects of any revision are recognised in the consolidated income statement for the financial year in which the changes arise.

(5) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the consolidated income statement when incurred.

(6) Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the consolidated income statement.

(e) Intangible assets

(1) Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries or associated companies over the fair value of the Group's share of their identifiable net assets at the date of acquisition.

(i) Acquisitions pre 1 January 2001

Goodwill on acquisitions was adjusted against retained earnings in the year of acquisition.

On disposal of the subsidiaries or associated companies, the goodwill previously adjusted against retained earnings is not recognised in the consolidated income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Intangible assets (continued)

(1) Goodwill (continued)

(ii) Acquisition post 1 January 2001

Goodwill on acquisitions of subsidiaries is included in intangible assets and carried at cost less accumulated impairment losses. Goodwill on acquisitions of associated companies is included in the carrying amount of investments in associated companies.

Goodwill for acquisitions post 1 January 2005 is determined after deducting the Group's share of their identifiable net assets and contingent liabilities.

Gains and losses on the disposal of the subsidiaries and associated companies include the carrying amount of goodwill relating to the entity sold and are recognised in the consolidated income statement.

(2) Trademarks

Trademarks are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2(h)(2)). Amortisation is calculated using the straight line method to allocate the cost of trademarks over a period not exceeding 20 years. These have been fully amortised as at the balance sheet date.

(3) Deferred expenditure

Deferred expenditure comprises technology fee paid in advance, clinical trial expenses and television advertisement production costs, which are recognised as assets as they generate future economic benefits. Technology fee expense paid in advance for the use of a third party's technology is amortised using the straight line method over the period of the contract with the third party. Clinical trial expenses incurred for product registrations are amortised using the straight line method over a 5-year period. Television advertisement production costs are amortised using the straight line method over the estimated useful life of approximately 2-3 years.

The amortisation period and amortisation method of intangible assets other than goodwill are reviewed at least once at each balance sheet date. The effects of any revision are recognised in the consolidated income statement when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Investment properties

Investment properties of the Group, principally comprising office and industrial buildings, are held for long-term rental yields and are not substantially occupied by the Group.

Investment properties are classified as non-current assets, initially recognised at cost and subsequently carried at fair value, determined annually by independent professional valuers. Changes in fair values are recognised in the consolidated income statement.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to the consolidated income statement. The cost of maintenance, repairs and minor improvement is charged to the consolidated income statement when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in the consolidated income statement.

(g) Investments in subsidiaries and associated companies

Investments in subsidiaries and associated companies are stated at cost less accumulated impairment losses (Note 2(h)(2)) in the Company's balance sheet. On disposal of investments in subsidiaries and associated companies, the difference between net disposal proceeds and the carrying amount of the net investment is recognised in the consolidated income statement.

(h) Impairment of non-financial assets

(1) Goodwill

Goodwill is tested annually for impairment, as well as when there is any indication that the goodwill may be impaired.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash generating units ("CGU") expected to benefit from synergies of the business combination.

An impairment loss is recognised when the carrying amount of CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of the CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the consolidated income statement and is not reversed in a subsequent period.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Impairment of non-financial assets (continued)

(2) Intangible assets, Property, plant and equipment and Investments in subsidiaries and associated companies

Intangible assets, property, plant and equipment and investments in subsidiaries and associated companies are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The impairment loss is recognised in the consolidated income statement.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the consolidated income statement.

(i) Financial assets

(1) Classification

The Group classifies its investments in financial assets in the following categories: loans and receivables, available-for-sale and at fair value through profit or loss. The classification depends on the purpose for which the assets have been acquired. Management determines the classification of its financial assets at initial recognition.

Investments in convertible bonds are analysed into its non-derivative host contract debt securities and its embedded derivative. The non-derivative host contract is accounted for as financial assets, available for sale and its embedded derivative is accounted for as financial assets at fair value through profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) **Financial assets** (continued)

(1) Classification (continued)

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are classified within "Trade and other receivables" on the balance sheets.

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are either designated in this category or not classified in any of the other categories.

(iii) Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are also classified as held for trading unless they are designated as hedges. Assets in this category are presented as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(2) Recognition and derecognition

Purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in the consolidated income statement. Any amount in the fair value reserve relating to that asset is also recognised in the consolidated income statement.

(3) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Transaction costs for financial assets at fair value through profit or loss are recognised immediately in the consolidated income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

(4) Subsequent measurement

Financial assets, both available-for-sale and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Changes in fair value of available-for-sale equity securities, (i.e. non-monetary items) denominated in foreign currencies are recognised in the fair value reserve, together with the related currency translation differences.

For investments in the non-derivative host contract of the convertible bonds, interest is calculated using the effective interest method and is recognised in the consolidated income statement as interest income. Changes in the fair value of these non-derivative host contracts are recognised in the fair value reserve.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in the consolidated income statement.

(5) Impairment

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables, is recognised when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the consolidated income statement within "General and administrative expenses". When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the consolidated income statement.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Financial assets (continued)

(5) Impairment (continued)

(i) Loans and receivables (continued)

The allowance for impairment loss account is reduced through the consolidated income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

(ii) Financial assets, available-for-sale

In the case of an equity security classified as available for sale, a significant or prolonged decline in the fair value of the security below its cost and the disappearance of an active trading market for the security are considered objective evidence that the security is impaired.

When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in the consolidated income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss on that financial asset previously recognised in consolidated income statement.

(j) Financial guarantees

The Company has issued corporate guarantees to banks for credit facilities of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with terms of their credit facilities.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantee contracts are subsequently amortised to the consolidated income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intragroup transactions are eliminated on consolidation.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined on a weighted average basis. The cost of finished goods and work-in-progress comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity) but exclude borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

(l) Operating Leases

(1) When a group company is the lessee:

Leases of property, plant and equipment where a significant portion of the risks and rewards of ownership is retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in the consolidated income statement on a straight line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(2) When a group company is the lessor:

Leases of investment properties to third parties where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as operating leases.

Rental income (net of any incentives given to lessees) is recognised in the consolidated income statement on a straight line basis over the lease term.

When an operating lease is terminated before the lease period has expired, any payment required to be made by the lessee by way of penalty is recognised as an income in the period in which termination takes place.

(m) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(n) Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax assets/liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax assets/liabilities arise from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting nor taxable profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) Income taxes (continued)

Deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries and associated companies, except where the timing of the reversal of the temporary difference can be controlled and it is probable that the deductible temporary difference and tax losses will not reverse in the foreseeable future.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expenses in the consolidated income statement for the period, except to the extent that the tax arises from a business combination or a transaction, which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition. Deferred tax on temporary differences arising from fair value changes on investment properties are charged, or credited as appropriate, directly to the consolidated income statement while those on fair value changes on current available-for-sale financial assets are charged, or credited as appropriate, directly to equity, in the same period in which the temporary differences arise.

(o) Employee benefits

(1) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group's contribution are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(o) Employee benefits (continued)

(2) Share-based compensation

The Group operates an equity-settled, share-based compensation plan. The fair value of the employee services received in exchange for the grant of the options is recognised as an expense in the consolidated income statement with a corresponding increase in share option reserve within equity over the vesting period. The total amount to be recognised over the vesting period is determined by reference to the fair value of the options granted on the date of grant. Non-market vesting conditions are included in the estimation of the number of shares under options that are expected to become exercisable on vesting date. At each balance sheet date, the Group revises its estimates of the number of shares under options that are expected to become exercisable on vesting date and recognises the impact of the revision of estimates in the consolidated income statement, with a corresponding adjustment to the share option reserve over the remaining vesting period.

(p) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

The Group enters into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to the consolidated income statement when the hedged forecasted transactions affects the consolidated income statement.

When the forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to the consolidated income statement immediately.

Fair value in changes on derivatives that are not designated or do not qualify for hedge accountings are recognised in the consolidated income statement when the changes arise.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Fair value estimation

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values.

The fair values of financial instruments traded in active markets (such as exchange-traded and over-the-counter securities and derivatives) are based on quoted market prices at the balance sheet date. The quoted market prices used for financial assets held by the Group are the current bid prices; the appropriate quoted market prices for financial liabilities are the current asking prices.

The fair values of financial instruments that are not traded in an active market are determined by using valuation techniques, such as estimated discounted cash flow analyses.

The fair values of currency forwards are determined using actively quoted forward exchange rates provided by reputable financial institutions.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rates that are available to the Group for similar financial liabilities.

(r) Currency translation

(1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements of the Group are presented in Singapore Dollar, which is the Company's functional currency.

(2) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the date of transactions, except for derivative financial instruments as disclosed in Note 2(p). Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the consolidated income statement, except for currency translation differences on the net investment in foreign operations, borrowings in foreign currencies and other currency instruments designated and qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(r) Currency translation (continued)

(2) Transactions and balances (continued)

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Currency translation differences on non-monetary items whereby gains or losses are recognised directly in equity, such as equity investments classified as available-for-sale financial assets are included in the fair value reserve.

(3) Translation of Group entities' financial statements

The results and financial position of Group entities (none of which has the currency of a hyperinflationary economy) that are in functional currencies different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing rates at the date of the balance sheet;

(ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated at the dates of the transactions); and

(iii) All resulting exchange differences are taken to the foreign currency translation reserve within equity.

Goodwill and fair value adjustments arising on acquisition of a foreign entity on or after 1 January 2005 are treated as assets and liabilities of the foreign entity and translated at the closing rates at the date of the balance sheet. For acquisitions prior to 1 January 2005, the exchange rates at the dates of the acquisition are used.

(4) Consolidation adjustments

On consolidation, currency translation differences arising from the net investment in foreign operations, borrowings in foreign currencies, and other currency instruments designated as hedges of such investments, are taken to foreign currency translation reserve. When a foreign operation is disposed, such currency translation differences recorded in the foreign currency translation reserve are recognised in the consolidated income statement as part of the gain or loss on sale or liquidation.

(s) Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments and whose operating results are regularly reviewed by the key management of the Group to make decisions about resources to be allocated to the segment and assess its performance.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, deposits with financial institutions and bank overdrafts, if any.

(u) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account. When the Company's ordinary shares are repurchased, the weighted average cost of each share is written off against the share capital, with the remaining amounts written off against the retained earnings of the Company.

(v) Dividends

Interim dividends are recorded during the financial year in which they are declared payable. Final dividends are recorded in the financial year in which the dividends are approved by the shareholders.

(w) Assets held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through sale rather than through continuing use. Such assets are measured at the lower of their carrying amount and fair value less costs to sell.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal to the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 2(h)(1). The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates. Based on the positive recoverable amount, there is no impairment of goodwill.

As the estimates and assumptions used are reasonably conservative, it will require a significant variation to the estimates and assumptions to result in any adjustments. Please refer to Note 16(a) for details.

4. REVENUE

Revenue of the Group represents invoiced sales and services, and rental income but excludes dividend income, interest income and intra-group transactions.

	The Group	
	2008 $'000	2007 $'000
Sale of goods	**78,424**	77,888
Rendering of services	**27,357**	29,612
Rental income	**16,328**	11,832
	122,109	119,332

5. OTHER INCOME

	The Group	
	2008 $'000	2007 $'000
Investment income from gross dividends from quoted equity investments	**49,947**	72,235
Gain on disposal of an investment property (Note 20)	**2,445**	–
Gain on disposal of available-for-sale financial assets, net	**–**	306
Write back of unclaimed dividends	**170**	99
Interest income from:		
- Deposits	**762**	2,263
- Available-for-sale financial assets	**259**	–
Service, licence and rental fee	**842**	870
Miscellaneous income	**1,125**	623
	55,550	76,396

6. NATURE OF EXPENSES

	The Group	
	2008 $'000	2007 $'000
Purchase of inventories	**26,616**	26,139
Changes in inventories	**962**	534
Sales and marketing expenses	**19,269**	18,801
Employee benefits (Note 27(a))	**19,156**	19,531
Trademark expenses	**405**	1,220
Depreciation of property, plant and equipment (Note 11)	**3,114**	2,969

6. NATURE OF EXPENSES (continued)

	The Group 2008 $'000	The Group 2007 $'000
Auditors' remuneration:		
- Auditor of the Company:		
- fees	**451**	492
- non-audit fees	**8**	70
- Under-provision in respect of prior year	**25**	85
- Other auditors:		
- fees	**14**	7
- non-audit fees	**4**	8
Foreign exchange loss, net	**1,120**	494
Inventories written down, net	**111**	171
Amortisation of intangible assets	**100**	100
Allowance for impairment in value of available-for-sale financial assets	**301**	–

7. TAXATION

	The Group 2008 $'000	The Group 2007 $'000
Tax expense attributable to profit is made up of:		
Current taxation		
Current year:		
- Singapore	**5,814**	17,292
- Overseas	**1,514**	1,713
	7,328	19,005
Over provision in respect of previous years:		
- Singapore	**(580)**	(1,135)
- Overseas	**(140)**	(116)
	(720)	(1,251)
Deferred taxation		
Origination and reversal of temporary differences:		
- Singapore	**(2,737)**	11,004
- Overseas	**(686)**	(58)
	(3,423)	10,946
Over provision in respect of previous years:		
- Singapore	**(319)**	–
	(319)	–
	2,866	28,700

7. TAXATION (continued)

The tax expense on accounting profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	2008 $'000	2007 $'000
Profit before taxation	**81,414**	187,830
Taxation at applicable Singapore tax rate of 18% (2007: 18%)	**14,655**	33,809
Adjustments:		
- Change in tax rate	**(14)**	(586)
- Tax rate difference in subsidiaries	**306**	595
- Tax effect of expenses not deductible for tax purposes	**880**	1,589
- Tax effect of income not subject to tax	**(10,792)**	(4,221)
- Tax rebates and exemptions	**(165)**	(147)
- Utilisation of tax losses not recognised in previous years	**(381)**	(70)
- Deferred income tax asset not recognised	**–**	(394)
- Originating/Reversal of previous years' temporary differences	**(608)**	(652)
- Overprovision in respect of previous years	**(1,039)**	(1,243)
- Others	**24**	20
Taxation expense	**2,866**	28,700

8. RESERVES AND MINORITY INTERESTS

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Non–distributable reserves				
Statutory reserve				
Balance at beginning of financial year	**1,265**	974	**–**	–
Transferred from revenue reserve	**257**	291	**–**	–
Balance at end of financial year	**1,522**	1,265	**–**	–
Capital reserve				
Balance at beginning and end of financial year	**17,267**	17,267	**38**	38

8. RESERVES AND MINORITY INTERESTS (continued)

	The Group		The Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Fair value reserve				
Balance at beginning of financial year	**1,178,240**	1,087,894	**14**	(72)
Disposal of available-for-sale financial assets	**–**	(247)	**–**	–
Net fair value (losses)/gains on available-for-sale financial assets (Note 15)	**(663,086)**	85,937	**(109)**	86
Transfer of impairment loss to consolidated income statement	**301**	–	**–**	–
Reduction in tax rate	**–**	5,892	**–**	–
Tax on fair value (losses)/gains on current available-for-sale financial assets (Note 22)	**22,808**	(1,393)	**–**	–
Currency translation differences	**115**	157	**–**	–
Balance at end of financial year	**538,378**	1,178,240	**(95)**	14
Share option reserve				
Balance at beginning of financial year	**1,244**	711	**1,244**	711
Expensing of share options	**516**	533	**516**	533
Balance at end of financial year	**1,760**	1,244	**1,760**	1,244
Total non-distributable reserves	**558,927**	1,198,016	**1,703**	1,296

The statutory reserve is legally required to be set aside in the countries of incorporation of certain subsidiaries. Those laws restrict the distribution and use of the reserve.

The capital reserve relates to non-distributable profits arising from sale of long term investments according to certain subsidiaries' Articles of Association and share premium arising from issue of shares by certain subsidiaries.

8. RESERVES AND MINORITY INTERESTS (continued)

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Distributable reserves				
Revenue reserve				
Balance at beginning of financial year	**492,700**	444,937	**97,293**	49,393
Profit for the financial year	**78,269**	158,983	**95,978**	158,829
Effect of share buyback	–	(69,645)	–	(69,645)
Transfer to statutory reserve	**(257)**	(291)	–	–
Dividends paid (Note 9)	**(49,358)**	(41,284)	**(49,358)**	(41,284)
Balance at end of financial year	**521,354**	492,700	**143,913**	97,293
Foreign currency translation reserve				
Balance at beginning of financial year	**(2,665)**	(2,895)	–	–
Net movement	**2,908**	230	–	–
Balance at end of financial year	**243**	(2,665)	–	–
Total distributable reserves	**521,597**	490,035	**143,913**	97,293
Total reserves	**1,080,524**	1,688,051	**145,616**	98,589

Retained earnings of the Group in revenue reserves are distributable except for accumulated retained earnings of associated companies amounting to $21,406,000 (2007: $14,790,000).

Minority interests

	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
Balance at beginning of financial year	**6,899**	6,909	–	–
Profit attributable to minority interests	**279**	147	–	–
Dividends paid	–	–	–	–
Currency translation differences	**(161)**	(157)	–	–
Balance at end of financial year	**7,017**	6,899	–	–

9. DIVIDENDS PAID

	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
Ordinary dividends paid:				
Final exempt 2007 dividend of 19 cents per share (inclusive of a 5 cents per share special dividends) (2007: Final 2006 dividend of 14 cents per share)	**37,511**	29,113	**37,511**	29,113
Interim exempt 2008 dividend of 6 cents per share (2007: 6 cents per share)	**11,847**	12,171	**11,847**	12,171
	49,358	41,284	**49,358**	41,284
Dividend per share (net of tax)	**25.0 cents**	20.0 cents	**25.0 cents**	20.0 cents

The Directors recommend a final tax exempt one-tier dividend of 14 cents per share, amounting to approximately $27.6 million be paid for the financial year ended 31 December 2008 (2007:19 cents per share (inclusive of a 5 cents per share special dividends) amounting to approximately $37.5 million). These financial statements do not reflect this dividend, which will be accounted for in the shareholders' equity as an appropriation of revenue reserve in the financial year ending 31 December 2009.

10. EARNINGS PER SHARE

	The Group 2008 $'000	The Group 2007 $'000
Earnings for the financial year	**78,269**	158,983
	'000	**'000**
Weighted average number of ordinary shares for calculation of basic earnings per share	**197,427**	204,324
Dilution adjustment for share options	**17**	145
Adjusted weighted average number of shares for calculation of diluted earnings per share	**197,444**	204,469
Earnings per share		
- Basic	**39.6 cents**	77.8 cents
- Diluted	**39.6 cents**	77.8 cents

10. EARNINGS PER SHARE(continued)

Basic earnings per share is calculated by dividing the earnings for the financial year by the weighted average number of ordinary shares in issue during the financial year.

The diluted earnings per share is adjusted for the effects of all dilutive potential ordinary shares. The Company has one category of dilutive potential ordinary shares which is share options. A calculation is carried out to determine the number of shares that could have been acquired at fair value (determined as the average annual market share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated is compared with the number of shares that would have been issued assuming the exercise of the share options. The difference is added to the denominator as an issuance of ordinary shares for no consideration. No adjustment is made to earnings (numerator).

11. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and buildings $'000	Plant, equipment, furniture and vehicles $'000	Marine livestock $'000	Construction-in-progress $'000	Total $'000
The Group					
Cost					
At 1 January 2008	31,141	34,847	913	4,338	71,239
Additions	–	2,300	57	9,581	11,938
Disposals/write-offs	–	(331)	(218)	–	(549)
Currency translation differences	(227)	(2)	(3)	284	52
At 31 December 2008	30,914	36,814	749	14,203	82,680
Accumulated depreciation					
At 1 January 2008	15,641	28,444	685	–	44,770
Charge for 2008	1,285	1,763	66	–	3,114
Disposals/write-offs	–	(313)	(160)	–	(473)
Currency translation differences	(68)	(2)	(2)	–	(72)
At 31 December 2008	16,858	29,892	589	–	47,339
Net book value					
At 31 December 2008	**14,056**	**6,922**	**160**	**14,203**	**35,341**

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Leasehold land and buildings $'000	Plant, equipment, furniture and vehicles $'000	Marine livestock $'000	Construction-in-progress $'000	Total $'000
The Group					
Cost					
At 1 January 2007	30,830	32,867	919	734	65,350
Additions	538	2,303	185	3,604	6,630
Disposals/write-offs	–	(310)	(190)	–	(500)
Currency translation differences	(227)	(13)	(1)	–	(241)
At 31 December 2007	31,141	34,847	913	4,338	71,239
Accumulated depreciation					
At 1 January 2007	14,420	27,150	674	–	42,244
Charge for 2007	1,332	1,573	64	–	2,969
Disposals/write-offs	–	(279)	(53)	–	(332)
Currency translation differences	(111)	–	–	–	(111)
At 31 December 2007	15,641	28,444	685	–	44,770
Net book value					
At 31 December 2007	15,500	6,403	228	4,338	26,469

Construction-in-progress represent construction of certain aquariums in the Leisure division.

11. PROPERTY, PLANT AND EQUIPMENT (continued)

	Plant, equipment, furniture and vehicles $'000
The Company	
Cost	
At 1 January 2008	–
Additions	–
Disposals/write-offs	–
At 31 December 2008	–
Accumulated depreciation	
At 1 January 2008	–
Charge for 2008	–
Disposals/write-offs	–
At 31 December 2008	–
Net book value	
At 31 December 2008	–
Cost	
At 1 January 2007	1,728
Disposals/write-offs	(1,728)
At 31 December 2007	–
Accumulated depreciation	
At 1 January 2007	1,102
Disposals/write-offs	(1,102)
At 31 December 2007	–
Net book value	
At 31 December 2007	–

12. INVESTMENT PROPERTIES

	The Group	
	2008	**2007**
	$'000	**$'000**
At beginning of the financial year	**214,498**	151,698
Improvements	**241**	287
Fair value (loss)/gain on investment properties recognised in the consolidated income statement	**(15,640)**	72,662
Transfer to asset held for sale (Note 20)	**–**	(10,000)
Currency translation differences	**(1,273)**	(149)
At end of the financial year	**197,826**	214,498
At valuation:		
Freehold and 999-year leasehold properties	**26,926**	28,198
Leasehold properties	**170,900**	186,300

All investment properties of the Group are based on open market valuations carried out by independent professional valuers annually at balance sheet date. It is the intention of the Directors to hold the investment properties for long term.

Investment properties are mainly leased to third parties under operating leases (Note 26).

Fair value changes of investment properties of a loss of approximately $15,640,000 (2007: a gain of $72,662,000) (before deferred taxation) are non-cash in nature.

The following amounts are recognised in the consolidated income statement:

	The Group	
	2008	**2007**
	$'000	**$'000**
Rental income (Note 4)	**16,328**	11,832
Direct operating expenses arising from investment properties that generated rental income	**(5,045)**	(3,928)

12. INVESTMENT PROPERTIES (continued)

The details of the Group's investment properties are as follows:

Investment properties	Description	Tenure of land	Independent valuer	Valuation date
Haw Par Glass Tower 178 Clemenceau Avenue Singapore 239926	8-storey office building on a land area of 899 square metres. The lettable area is 3,316 square metres.	99-year lease from 2 June 1970	DTZ Debenham Tie Leung (SEA) Pte Ltd	31 December 2008
Haw Par Centre 180 Clemenceau Avenue Singapore 239922	6-storey office building on a land area of 2,464 square metres. The lettable area is 10,251 square metres.	99-year lease from 1 September 1952	DTZ Debenham Tie Leung (SEA) Pte Ltd	31 December 2008
Haw Par Technocentre 401 Commonwealth Drive Singapore 149598	7-storey industrial building on a land area of 8,131 square metres. The lettable area is 15,707 square metres.	99-year lease from 1 March 1963	DTZ Debenham Tie Leung (SEA) Pte Ltd	31 December 2008
Menara Haw Par Lot 242, Jalan Sultan Ismail, 50250 Kuala Lumpur Malaysia	32-storey office building on a land area of 2,321 square metres. The lettable area is 16,131 square metres.	Freehold	DTZ Nawawi Tie Leung Property Consultants Sdn Bhd	31 December 2008
Westlands Centre Units 1405-1407 Westlands Centre 20 Westlands Road Quarry Bay Hong Kong	3 units of office/ industrial space with a lettable area of 475 square metres.	999-year lease	DTZ Debenham Tie Leung Limited	31 December 2008

13. INVESTMENT IN SUBSIDIARIES

	The Company 2008 $'000	The Company 2007 $'000
Equity investments at cost:		
Unquoted, at written down cost	**429,718**	429,758
Allowance for impairment in value	**(40,145)**	(40,145)
	389,573	389,613

Details of significant subsidiaries are shown in Note 31.

14. INVESTMENT IN ASSOCIATED COMPANIES

	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
Balance at beginning of financial year	**49,995**	43,680	**2,895**	2,895
Share of profits	**6,616**	6,129	**–**	–
Dividends received/receivable	**(599)**	(998)	**–**	–
Share of translation reserves	**3,604**	3,634	**–**	–
Currency translation differences	**(257)**	(2,450)	**–**	–
Balance at end of financial year	**59,359**	49,995	**2,895**	2,895

14. INVESTMENT IN ASSOCIATED COMPANIES (continued)

	The Group	
	2008 $'000	2007 $'000
The summarized Group's share of financial information of associated companies are as follows:		
- Assets	**94,421**	79,062
- Liabilities	**(27,961)**	(29,321)
- Revenues	**61,340**	53,016
- Net profit	**6,616**	6,129
Share of associated companies contingent liabilities incurred jointly with other investors	**–**	–
Contingent liabilities in which the Group is severally liable	**–**	–

Fair value of investment in a Hong Kong Stock Exchange listed associate of cost $34,172,000 (2007: $34,172,000) is $20,823,586 (2007: $70,013,940). This is based on its quoted bid price as at 31 December 2008 and the exchange rate of $1=HK$5.38 (2007: $1=HK$5.35). No impairment in value of investment in this associated company has been made after having evaluated various qualitative and quantitative factors including whether the fall in its share price is within the normal volatility of the market, the period in which its share price have fallen below its carrying amount and the historical financial performance of the associated company.

Investments in associated companies at 31 December 2008 include intangible assets valued at $3,275,000 (2007: $3,293,000).

Details of associated companies are set out in Note 31, and Note 31(iv) explains the basis of equity accounting for an associated company, which has a different financial year end.

15. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Balance at beginning of financial year	**1,647,180**	1,551,013	**937**	3,922
Additions	**26,331**	15,290	**–**	–
Net fair value (losses)/gains recognised in fair value reserve (Note 8)	**(663,086)**	85,937	**(109)**	86
Amortisation of discount	**251**	–	**–**	–
Disposals	**–**	(1,926)	**–**	(16)
Capital reduction by an investee	**(898)**	(3,055)	**–**	(3,055)
Currency translation differences	**103**	(79)	**–**	–
Balance at end of financial year	**1,009,881**	1,647,180	**828**	937
Less: Non-current portion	**(758,226)**	(1,285,747)	**(828)**	(937)
Current portion	**251,655**	361,433	**–**	–

Available-for-sale financial assets are analysed as follows:

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Quoted investments				
- Equity securities	**987,488**	1,646,127	**–**	–
- Debt securities	**21,449**	–	**–**	–
Unquoted investments	**944**	1,053	**828**	937
	1,009,881	1,647,180	**828**	937

The quoted investments are mainly listed in Singapore.

16. INTANGIBLE ASSETS

	The Group		The Company	
	2008	2007	2008	2007
	$'000	$'000	$'000	$'000
Goodwill on consolidation	**11,116**	11,116	**–**	–
Trademarks and deferred expenditure	**–**	100	**–**	–
	11,116	11,216	**–**	–

16. INTANGIBLE ASSETS(continued)

(a) Goodwill on consolidation

	The Group 2008 $'000	The Group 2007 $'000
Cost		
Balance at beginning and end of financial year	**11,116**	11,116

Impairment tests for goodwill
The goodwill is allocated to the healthcare division of the Group, which is regarded as a cash-generating unit ("CGU").

During the financial year, the Group determines that there is no impairment of its CGU containing goodwill. The recoverable amount (i.e. higher of value-in-use and fair value less costs to sell) of the CGU is determined on the basis of value-in-use calculations. These calculations incorporate cash flow projections by management covering a twenty-year period.

Key assumptions used for value-in-use calculations:

Discount rate	8.49% (2007: 10.31%)
Growth rate	0.00% (2007: 0.00%)

These assumptions have been used for the analysis of the CGU. The discount rate used is post-tax and reflects specific risks relating to the healthcare division. Management determined a 0% growth rate on grounds of prudence.

(b) Trademarks and deferred expenditure

	Trademarks $'000	Deferred expenditure $'000
The Group		
Net book value		
2008		
Beginning of financial year	**–**	**100**
Amortisation during the financial year	**–**	**(100)**
End of financial year	**–**	**–**
2007		
Beginning of financial year	–	–
Additions during the financial year	–	200
Amortisation during the financial year	–	(100)
End of financial year	–	100

16. INTANGIBLE ASSETS (continued)

(b) Trademarks and deferred expenditure (continued)

	Trademarks $'000	Deferred expenditure $'000
The Group		
At 31 December 2008:		
Cost	**3,200**	**1,400**
Less: Accumulated amortisation	**(3,200)**	**(1,400)**
Net book value	**–**	**–**
At 31 December 2007:		
Cost	3,200	1,400
Less: Accumulated amortisation	(3,200)	(1,300)
Net book value	–	100

	Trademarks $'000
The Company	
Balance at 1 January and 31 December 2008, net of accumulated amortisation	–
At 31 December 2008:	
Cost	**2,000**
Less: Accumulated amortisation	**(2,000)**
Net book value	**–**

The Company and its wholly-owned subsidiary, Haw Par Brothers International (HK) Ltd ("HPBIHK") own the "Tiger" (Cost: $2.0 million) and "Kwan Loong" ("Double Lion") (Cost: HK$5.58 million) trademarks respectively. The Company and HPBIHK (together "the Licensors"), licensed to Haw Par Healthcare Limited ("HPH"), another wholly-owned subsidiary, the exclusive right to manufacture, distribute, market and sell "Tiger" and "Kwan Loong" products worldwide until 31 December 2012. These licensing arrangements are renewable upon expiry for a further period of 25 years on terms to be mutually agreed between the Licensors and HPH.

17. INVENTORIES

	The Group	
	2008 $'000	2007 $'000
Trading stocks	**402**	399
Manufacturing stocks	**4,867**	3,862
Finished stocks	**1,289**	1,335
Total	**6,558**	5,596

The cost of inventories recognised as expense and included in "Cost of sales" amounted to $33,403,000 (2007: $33,265,000).

During the financial year, the Group reversed $86,000 (2007: $Nil) of write-down of inventories as the inventories were sold above the carrying amounts in 2008. The Group also recognised inventories written down of $197,000 (2007: $171,000). The reversal and inventories written off has been included in "Cost of sales" in the consolidated income statement.

18. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Trade receivables	**19,034**	17,575	**898**	299
Less: Allowance for impairment of receivables (Note (i))	**(69)**	(77)	**–**	–
Trade receivables (net)	**18,965**	17,498	**898**	299
Advances to subsidiaries	**–**	–	**125,170**	146,803
Other receivables (Note (iii))	**2,609**	2,905	**79**	107
Derivative financial instruments (Note (ii) & 28(a)(1))	**111**	–	**–**	–
	2,720	2,905	**125,249**	146,910
Total	**21,685**	20,403	**126,147**	147,209

Advances to subsidiaries are non-trade, unsecured, interest-free (2007: interest-free) and are repayable on demand. The carrying values of the advances approximate their fair values.

18. TRADE AND OTHER RECEIVABLES (continued)

(i) Allowance for impairment of receivables

A write back of impairment for $Nil (2007: $73,000) was recognised and included in miscellaneous income under "Other Income".

(ii) Derivative financial instruments

Derivative financial instruments comprise cash flow hedges in currency forwards which are entered to hedge highly probable forecasted transactions denominated in foreign currencies. The currency forwards have maturity dates that coincide within the expected occurrence of these transactions. Gains and losses recognised in the hedging reserve prior to the occurrence of these forecasted transactions were reclassified from equity to the consolidated income statement in the same period/periods during which changes in the measurement of the hedged items denominated in foreign currencies were recognised in the consolidated income statement. The hedging reserve has a $Nil (2007: $Nil) balance as at 31 December 2008.

(iii) Other receivables:

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Sundry receivables and deposits	**2,521**	2,181	**79**	95
Dividends receivable	**–**	686	**–**	–
Interest receivable on deposits	**88**	38	**–**	12
	2,609	2,905	**79**	107

The carrying amounts of sundry, dividends and interest receivables and deposits approximate their fair values.

19. CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Short term bank deposits	**43,300**	33,368	**30,228**	20,893
Cash at bank and on hand	**23,785**	18,317	**1,101**	1,102
	67,085	51,685	**31,329**	21,995

The carrying amounts of cash and cash equivalents approximate their fair values.

Included in the cash and cash equivalents are bank deposits and cash on hand amounting to $7,470,000 (2007: $15,095,000) which are not freely remissible for use by the Group because of currency exchange restrictions.

19. CASH AND CASH EQUIVALENTS (continued)

Cash and cash equivalents included in the consolidated cash flow statement comprised the following balance sheet amounts:

	The Group 2008 $'000	The Group 2007 $'000
Cash and bank balances	**23,785**	18,317
Deposits with banks and financial institutions	**43,300**	33,368
Less: Bank deposits pledged for banker's guarantee	**(124)**	–
	66,961	51,685

20. ASSET HELD FOR SALE

Asset held for sale represents a property, previously held as an investment property.

Details of the property are as follow:

Asset held for sale	Description	Tenure of land
Setron Building 10 Dundee Road Singapore 149455	8-storey industrial building on a land area of 6,567 square metres. The lettable area is 11,763 square metres.	60-year lease from 1 November 1972

The property was disposed off during the financial year, at a consideration of $12,500,000, yielding a gain of $2,445,000.

21. TRADE AND OTHER PAYABLES

	The Group 2008 $'000	The Group 2007 $'000	The Company 2008 $'000	The Company 2007 $'000
Trade creditors	**5,883**	4,580	**–**	–
Bills payable (trade)	**18**	12	**–**	–
Accrued advertisement and promotion expenses	**10,564**	9,204	**–**	–
Accrued repairs and maintenance	**157**	164	**–**	–
Sundry accruals	**6,513**	6,879	**643**	580
Other creditors	**4,365**	3,136	**167**	366
Rental deposits	**4,579**	3,754	**–**	–
Unclaimed dividends	**1,052**	916	**1,033**	898
Advances from subsidiaries	**–**	–	**163,657**	222,706
	33,131	28,645	**165,500**	224,550

21. TRADE AND OTHER PAYABLES (continued)

The carrying values of trade creditors and advances approximate their fair values.

Trade creditors include $1,897,000 (2007: $1,221,000) payable to the minority shareholder of Haw Par Elder (India) Private Limited, a subsidiary of the Group.

Advances from subsidiaries are non-trade, unsecured, and interest free and are repayable on demand.

22. DEFERRED INCOME TAXATION

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	The Group		The Company	
	2008	**2007**	**2008**	**2007**
	$'000	**$'000**	**$'000**	**$'000**
Deferred income tax assets				
- to be recovered within 12 months	**(607)**	(587)	–	–
- to be recovered after more than 12 months	**(365)**	–	–	–
	(972)	(587)		
Deferred income tax liabilities				
- to be settled within 12 months	**175**	319	–	–
- to be settled after more than 12 months	**41,931**	67,923	–	–
	42,106	68,242	–	–
	41,134	67,655	–	–

22. DEFERRED INCOME TAXATION (continued)

The movements in the deferred income tax account are as follows:

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
At beginning of financial year	**67,655**	61,252	**–**	141
Tax credited to:				
- fair value reserve (Note 8)	**(22,808)**	(4,499)	**–**	–
Tax (credited)/charged to consolidated income statement:				
- changes in fair value	**(2,998)**	11,397	**–**	(141)
- others	**(744)**	(451)	**–**	–
Currency translation differences	**29**	(44)	**–**	–
At end of financial year	**41,134**	67,655	**–**	–

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised deferred income tax assets arising from tax losses of $28.7 million (2007: $31.7 million). These tax losses can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements by those corporations in their respective countries of incorporation. These tax losses have no expiry date.

The Group's and Company's deferred tax liabilities have been computed based on the corporate tax rate and tax laws prevailing at balance sheet date. On 22 January 2009, the Singapore Minister of Finance announced a reduction in corporate tax rate from 18% to 17% with effect from the year of assessment 2010. The Group's and Company's deferred tax expense for the current financial year have not taken into consideration the effect of the reduction in the corporate tax rate, which will be accounted for in the Group's and Company's deferred tax expense in the year ending 31 December 2009. The Group's and Company's deferred tax liabilities as of 31 December 2008 will be reduced by approximately $2,315,000 and $Nil respectively when the new corporate tax rate of 17% is applied.

22. DEFERRED INCOME TAXATION (continued)

The Group

The movements in the deferred income tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the financial year are as follows:

Deferred income tax liabilities

	Fair value changes on on current available-for-sale financial assets $'000	Accelerated tax depreciation $'000	Accrued interest receivable on deposits and debentures $'000	Fair value changes on investment properties $'000	Total $'000
2008					
Beginning of financial year	50,324	719	319	16,880	68,242
Credited to equity	(22,808)	–	–	–	(22,808)
Credited to consolidated income statement	–	(5)	(319)	(2,998)	(3,322)
Currency translation differences	–	–	–	(6)	(6)
End of financial year	27,516	714	–	13,876	42,106
2007					
Beginning of financial year	54,823	858	354	5,488	61,523
Credited to equity	(4,499)	–	–	–	(4,499)
Credited to consolidated income statement	–	(100)	(35)	11,397	11,262
Currency translation differences	–	(39)	–	(5)	(44)
End of financial year	50,324	719	319	16,880	68,242

22. DEFERRED INCOME TAXATION (continued)

Deferred income tax assets

	Payables $'000	Tax losses $'000	Total $'000
2008			
Beginning of financial year	(587)	–	(587)
Charged/(credited) to consolidated income statement	156	(576)	(420)
Currency translation differences	19	16	35
End of financial year	(412)	(560)	(972)
2007			
Beginning of financial year	(271)	–	(271)
Credited to consolidated income statement	(316)	–	(316)
End of financial year	(587)	–	(587)

The Company

Deferred income tax liabilities

	Accelerated tax depreciation $'000
2008	
Beginning and end of financial year	–
2007	
Beginning of financial year	148
Credited to income statement	(148)
End of financial year	–

Deferred income tax assets

	Provisions $'000
2008	
Beginning and end of financial year	–
2007	
Beginning and end of financial year	(7)
Charged to income statement	7
End of financial year	–

23. SHARE CAPITAL

	Number of shares '000	Amount $'000
The Group and the Company		
2008		
Beginning of financial year	197,394	239,238
Issued 61,000 ordinary shares by virtue of exercise of share options (Note 27(b))	61	303
End of financial year	197,455	239,541
2007		
Beginning of financial year	207,652	250,277
Issued 362,000 ordinary shares by virtue of exercise of share options (Note 27(b))	362	1,823
Cancellation of shares arising from share buyback	(10,620)	(12,862)
End of financial year	197,394	239,238

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

Please refer to Note 27 for details of share options.

24. RELATED PARTY TRANSACTIONS

In addition to other related party information disclosed in the financial statements, the following transactions have been carried out between the Group and its related parties on commercial terms and at market rates during the financial year:

(a) Transactions with a related party:

	The Group	
	2008	**2007**
	$'000	**$'000**
Purchase of stocks from Elder Health Care Limited	**3,324**	3,559

Elder Health Care Limited is a minority shareholder of Haw Par Elder (India) Private Limited, a 67.4% owned subsidiary of the Group.

(b) Share options granted to key management

The aggregate number of share options granted to the key management of the Group during the financial year is 248,000 (2007: 228,000). The share options have been granted on the same terms and conditions as those offered to the other employees of the Company (Note 27(b)). The aggregate number of share options granted to the key management of the Group outstanding as at the end of the financial year is 698,000 (2007: 457,000).

(c) Key management's remuneration

The key management's remuneration includes fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or Company do not incur any costs, the value of the benefit. The key management's remuneration is as follows:

	The Group	
	2008	**2007**
	$'000	**$'000**
Key management of the Group:		
- directors of the Company	**2,312**	2,016
- directors of the subsidiaries	**1,730**	1,695
- others	**257**	257
	4,299	3,968

24. RELATED PARTY TRANSACTIONS (continued)

(c) Key management's remuneration (continued)

Comprising the following:

	The Group	
	2008 $'000	2007 $'000
Salaries and other short-term employee benefits	**3,828**	3,619
Employer's contribution to Central Provident Fund and other defined contribution plans	**91**	81
Share options granted	**380**	268
	4,299	3,968

25. CONTINGENT LIABILITIES

Contingent liabilities relating to guarantees and claims are:

	The Company	
	2008 $'000	2007 $'000
In respect of guarantees given to banks in connection with facilities granted to subsidiaries	**559**	562

26. COMMITMENTS

(a) Capital commitments

	The Group		The Company	
	2008 $'000	2007 $'000	2008 $'000	2007 $'000
Capital commitments authorised and contracted but not provided for in the consolidated financial statements	**11,198**	6,577	**–**	–

The capital commitments above relate to purchases of property, plant and equipment.

26. COMMITMENTS (continued)

(b) Operating lease commitments

As a lessee

The Group leases certain offices, warehouses, and other premises under non-cancellable lease arrangements. Certain premises are further sub-leased to third parties under non-cancellable sub-lease agreements.

	The Group	
	2008	**2007**
	$'000	**$'000**
Lease rental expense	**1,704**	1,965
Sub-lease rental income recognised in consolidated income statement	**(829)**	(718)

Future minimum rentals payable under non-cancellable leases as of 31 December are as follows:

	The Group	
	2008	**2007**
	$'000	**$'000**
Within one year	**588**	912
Between one year and five years	**1,828**	1,818
After five years	**3,053**	3,052
	5,469	5,782

As a lessor

The Group owns certain investment properties, which are tenanted under non-cancellable lease arrangements.

Future minimum rentals receivable under non-cancellable leases as of 31 December are as follows:

	The Group	
	2008	**2007**
	$'000	**$'000**
Within one year	**17,989**	13,712
Between one year and five years	**19,266**	16,352
More than five years	**1,854**	2,472
	39,109	32,536

27. EMPLOYEE BENEFITS

	The Group	
	2008	2007
	$'000	$'000
(a) Staff costs (including Executive Directors):		
- salaries, bonuses and other costs	**17,334**	17,492
- employer's contribution to Central Provident Fund and other defined contribution plans	**1,306**	1,506
- expensing of share options	**516**	533
	19,156	19,531

Key management's remuneration is disclosed in Note (24(c)).

(b) The Company operates the Haw Par Corporation Group 2002 Share Option Scheme ("2002 Scheme"). The 2002 Scheme was approved by members of the Company on 22 May 2002.

The 2002 Scheme grants non-transferable options to selected employees and includes the participation by the non-executive directors and the maximum life-span of exercising the options is 10 years (exercise period). The options are exercisable beginning on the first anniversary from the date when the options are granted or the second anniversary if the options are granted at a discount to the market price under the 2002 Scheme.

The exercise price is equivalent to the average of the last dealt price for the share for five consecutive market days immediately before the offer date ("market price") at the time of grant and can be set at discounts of up to 20% to the market price under the 2002 Scheme. During the financial year, 400,000 (2007: 378,000) shares options have been granted to qualifying employees on 3 March 2008 (2007: 2 March 2007), of which 61,000 (2007: 6,000) have been subsequently cancelled. The fair value of the options granted using the Trinomial valuation model is $612,486 (2007: $587,723). The significant inputs into the model are exercise price of $6.47 (2007: $7.54) at the grant date, standard deviation of expected share price returns of 37% (2007: 28%), 5-year option life and annual risk-free interest rate of 1.18% (2007: 3.11%). The volatility measured at the standard deviation of expected share price returns is based on statistical analysis of daily share prices.

27. EMPLOYEE BENEFITS (continued)

(b) Information with respect to share options granted under the 2002 Scheme is as follows:

	2008	2007
Under 2002 Scheme:		
Outstanding at beginning of the financial year	**677,000**	672,000
Granted	**400,000**	378,000
Cancelled	**(117,000)**	(11,000)
Exercised	**(61,000)**	(362,000)
Outstanding at end of the financial year	**899,000**	677,000
Exercisable at end of the financial year	**560,000**	305,000
Details of share options granted during the financial year:		
Expiry date	**2.3.2013**	1.3.2012
Exercise price (set at prevailing market price)	**$6.47**	$7.54
Aggregate proceeds if shares are issued ($'000)	**2,588**	2,805

Details of share options exercised during the financial year:

Exercise period	Exercise price	Number exercised 2008	Number exercised 2007
7.6.2003 - 6.6.2007	$4.24	–	16,000
20.6.2004 - 19.6.2008	$3.96	**16,000**	48,000
18.5.2005 -17.5.2009	$4.80	–	74,000
19.5.2006 -18.5.2010	$5.11	**19,000**	64,000
2.3.2007 - 1.3.2011	$5.52	**26,000**	160,000
Total number of shares issued		**61,000**	362,000
Aggregate proceeds of shares issued ($'000)		**303**	1,823

The market prices on the dates of exercise ranged from $6.00 to $7.42.

27. EMPLOYEE BENEFITS (continued)

(b) Terms of share options outstanding as at 31 December 2008:

Exercise period	Exercise price	Number outstanding	Number exercisable
Under 2002 Scheme:			
18.5.2005 -17.5.2009	$4.80	20,000	20,000
19.5.2006 - 18.5.2010	$5.11	94,000	94,000
2.3.2007 - 1.3.2011	$5.52	130,000	130,000
2.3.2008 -1.3.2012	$7.54	316,000	316,000
3.3.2009 - 2.3.2013	$6.47	339,000	–
Total number of shares		899,000	560,000

28. FINANCIAL RISK MANAGEMENT

Financial risk factors

The Group's activities expose it to market risk (including currency risk and price risk), credit risk and liquidity risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Investment Committee then establishes the detailed policies, such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Board of Directors.

Monthly and quarterly reports are submitted to Investment Committee and Board of Directors respectively that contain the Group's exposure to each type of financial risks.

(a) Market risk

The Group is exposed to market risk, including primarily changes in currency exchange rates and market prices of securities.

(1) Foreign currency risk

The Group operates in Asia and through agents/distributors in other parts of the world, with dominant operations in Singapore. Entities in the Group regularly transact in currencies other than their respective functional currencies ("foreign currencies") such as the United States Dollar.

28. FINANCIAL RISK MANAGEMENT

(a) Market risk (continued)

(1) Foreign currency risk (continued)

Currency risk arises when transactions are denominated in foreign currencies.

In addition, the Group is also exposed to currency translation risks arising from its foreign currency denominated net assets, which are not significant.

The Group manages its foreign currency exposures by a policy of matching, as far as possible, by receipts and payments in each individual currency. The surplus of convertible currencies are either further matched with future foreign currency requirements or exchanged for Singapore Dollar.

The Group also has available forward contract facilities to hedge future foreign exchange exposure.

As at the end of the financial year, the Group has outstanding currency forward contracts with notional principal amounts totalling $3,482,000 (2007: $Nil) with maturities within 3 months from balance sheet date. The fair value gain of the above currency forward contracts as at 31 December 2008 was $111,000 (2007: $Nil).

The foreign currency exposure of the Group's net investment in overseas subsidiaries is managed under the guidance of the Investment Committee.

The Group's currency exposure based on the information provided to key management is as follows:

	US Dollar $'000	Hong Kong Dollar $'000	Euro $'000
Group			
At 31 December 2008			
Cash and cash equivalents	2,141	–	16
Trade and other receivables	6,317	–	1,341
Trade and other payables	(2,846)	(1,137)	(2,300)
Less: Currency forwards	(3,371)	–	–
Currency exposure on financial assets and liabilities	**2,241**	**(1,137)**	**(943)**

28. FINANCIAL RISK MANAGEMENT

(a) Market risk (continued)

(1) Foreign currency risk (continued)

	US Dollar $'000	Hong Kong Dollar $'000	Euro $'000
Group (continued)			
At 31 December 2007			
Cash and cash equivalents	2,622	–	134
Trade and other receivables	6,310	–	2,347
Trade and other payables	(2,290)	(1,549)	(1,150)
Currency exposure on financial assets and liabilities	6,642	(1,549)	1,331

The Company does not have material foreign currency exposure as at 31 December 2008 and 2007 except for certain amounts due to a subsidiary denominated in Hong Kong Dollar for $24,199,000 (2007: $24,328,000).

A 10% (2007: 5%) weakening of Singapore Dollar against the following currencies at reporting date would increase/(decrease) profit or loss by the amounts shown below, with all other variables including tax rate being held constant:

	US Dollar $'000	Hong Kong Dollar $'000	Euro $'000
Group			
At 31 December 2008			
Profit and loss	224	(114)	(94)
At 31 December 2007			
Profit and loss	332	(77)	67

A 10% (2007: 5%) strengthening of Singapore Dollar against the above currencies would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

28. FINANCIAL RISK MANAGEMENT (continued)

(a) Market risk (continued)

(2) Market price risk

The Group has substantial investments carried at fair value of $1,009.9 million (2007: carried at fair value of $1,647.0 million) held in various forms of securities as of 31 December 2008 and have been accounted for in accordance with the accounting policy stated in Note 2(i). These securities are mainly listed in Singapore. The Group is not exposed to material commodity price risk.

The market price risk associated with these investments is the potential loss in fair value resulting from the decrease in market prices of securities. If prices for equity securities listed in Singapore and elsewhere change by 10% (2007: 5%) with all other variables including tax rate being held constant, the equity will be:

	2008 $'000	2007 $'000
Group		
Listed in Singapore		
- increased by	**100,854**	81,869
- decreased by	**(100,854)**	(81,869)
Listed elsewhere		
- increased by	**40**	438
- decreased by	**(40)**	(438)

The Group's investments are managed under the guidance of the Investment Committee.

(b) Liquidity risk

As at 31 December 2008, the Group has available cash and short term bank deposits totalling $67.0 million (2007: $51.7 million). In addition, the Group has available credit facilities of about $268.8 million (2007: $269.4 million).

The cash and deposits, together with the available credit facilities are expected to be sufficient to meet the funding requirements of the Group's operations.

The Group does not have any material financial liabilities maturing more than 12 months from 31 December 2008.

28. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group.

The Group's maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as of 31 December 2008 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated in the balance sheets, except as follows:

	2008 $'000	2007 $'000
Corporate guarantees provided to banks on subsidiaries' obligations	**559**	562

The Group's and Company's major classes of financial assets that are subject to credit risk are short-term bank deposits, investments in debt securities and trade receivables.

It is the Group's policy to transact with creditworthy counterparties. In addition, the granting of material credit limits to counterparties is reviewed and approved by senior management. The Group does not expect to incur material credit losses on its financial assets or other financial instruments.

(i) Financial assets that are neither past due nor impaired

Short-term bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group. Debt securities are issued by companies with high credit-ratings assigned by international credit rating agencies.

28. FINANCIAL RISK MANAGEMENT (continued)

(c) Credit risk (continued)

(ii) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group	
	2008 $'000	2007 $'000
Past due 1 to 3 months	**2,949**	1,336
Past due 4 to 6 months	**752**	642
Past due over 6 months	**164**	3
	3,865	1,981

The carrying amount of trade receivables individually determined to be impaired and the movement of the related allowance for impairment are as follows:

	2008 $'000	2007 $'000
Gross amount	**19,034**	17,575
Less: Allowance for impairment	**(69)**	(77)
	18,965	17,498
Beginning of financial year	**77**	150
Allowance written back	**–**	(73)
Exchange adjustments	**(8)**	–
End of financial year	**69**	77

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, buy back issued shares or obtain new borrowings.

Management monitors capital based on ability of the Group to generate sustainable profits and availability of retained profits for dividend payments to shareholders.

29. SEGMENTAL REPORTING

At 31 December 2008, the Group is organised into the following main business segments:

- Manufacturing, marketing and trading of healthcare products;
- Provision of leisure-related services;
- Property rental, and
- Investments in securities

Healthcare division principally manufactures and distributes topical analgesic products under the "Tiger Balm" and "Kwan Loong" brand. These products are sold in more than 80 countries around the world.

Leisure division provides family and tourist oriented leisure alternatives mainly in the form of oceanariums.

Property division owns and leases out several investment properties in the Asia region.

Investment division engages in investing activities, mainly in quoted and unquoted securities in Asia region.

Inter-segment transactions are determined on an arm's length basis. Unallocated costs represent corporate expenses. Segment assets consist primarily of available-for-sale financial assets, investment properties, property, plant and equipment, intangible assets, inventories, receivables, bank deposits and cash and bank balances. Segment liabilities comprise operating liabilities and exclude tax assets and tax liabilities. Capital expenditure comprises additions to investment properties, property, plant and equipment and intangible assets.

The Group evaluates performance on the basis of profit or loss from operations before tax expenses and management fees charged internally and exclude non-recurring gains and losses.

The Group accounts for intersegment sales and transfers as if the sales or transfers were to third parties, ie. at current market prices.

The Group's reportable segments are strategic business units that offer different product and services. They are managed separately because each business target different customers and carry different business risk.

29. SEGMENTAL REPORTING (continued)

(a) Reportable segments

	Healthcare products $'000	Leisure products and services $'000	Property rental $'000	Investments $'000	Eliminations $'000	Consolidated $'000
2008						
Sales to external customers	71,061	34,853	16,195	–	–	122,109
Inter-segment sales	34	–	374	–	(408)	–
Other income	500	548	3,797	50,705	–	55,550
Inter-segment other income	–	–	–	40,776	(40,776)	–
Total revenue	71,595	35,401	20,366	91,481	(41,184)	177,659
Depreciation and amortisation	1,037	1,904	10	325	(62)	3,214
Reportable segment profit	14,587	16,436	14,702	89,818	(39,346)	96,197
Unallocated expenses						(5,759)
Profit from operations						90,438
Share of results of associated companies	–	–	–	6,616	–	6,616
Fair value loss on investment properties	–	–	(15,640)	–	–	(15,640)
Taxation						(2,866)
Minority interests						(279)
Earnings for the financial year						78,269
Reportable segment assets	44,965	52,439	196,919	1,402,161	(287,633)	1,408,851
Tax recoverable						100
Total assets per balance sheet						1,408,951
Expenditures for reportable segment non-current assets	1,138	10,414	259	368	–	12,179
Reportable segment liabilities	19,627	4,441	6,283	2,780	–	33,131
Taxation						7,604
Deferred income taxation						41,134
Total liabilities per balance sheet						81,869

29. SEGMENTAL REPORTING (continued)

(a) Reportable segments

	Healthcare products $'000	Leisure products and services $'000	Property rental $'000	Investments $'000	Eliminations $'000	Consolidated $'000
2007						
Sales to external customers	70,511	37,024	11,797	–	–	119,332
Inter-segment sales	37	–	267	–	(304)	–
Other income	76	464	1,272	74,584	–	76,396
Inter-segment other income	–	–	–	83,539	(83,539)	–
Total revenue	70,624	37,488	13,336	158,123	(83,843)	195,728
Depreciation and amortisation	912	1,919	4	295	(61)	3,069
Reportable segment profit	14,421	17,974	8,628	156,669	(82,130)	115,562
Unallocated expenses						(6,523)
Profit from operations						109,039
Share of results of associated companies	–	–	–	6,129	–	6,129
Fair value gain on investment properties	–	–	72,662	–	–	72,662
Taxation						(28,700)
Minority interests						(147)
Earnings for the financial year						158,983
Reportable segment assets	41,112	39,424	223,162	2,021,039	(287,695)	2,037,042
Tax recoverable						600
Total assets per balance sheet						2,037,642
Expenditures for reportable segment non-current assets	1,827	4,905	300	85	–	7,117
Reportable segment liabilities	16,813	4,192	4,113	3,527	–	28,645
Taxation						7,154
Deferred income taxation						67,655
Total liabilities per balance sheet						103,454

29. SEGMENTAL REPORTING (continued)

(b) Geographical Information

	Revenues (i) $'000	Non-Current Assets (ii) $'000
2008		
Singapore	51,901	958,535
Other Asian countries	37,494	103,333
Other countries	32,714	–
Total	122,109	1,061,868
2007		
Singapore	49,589	1,498,010
Other Asian countries	40,431	89,915
Other countries	29,312	–
Total	119,332	1,587,925

(i) Revenues are attributable to countries in which the customer is located.

(ii) Non-current assets are shown by the geographical area where the assets are located.

(c) Major customers

The Group does not have any particular customer that accounts for more than 10 per cent of the Group's revenues.

30. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS AND AMENDMENTS

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2009 or later periods and which the Group has not early adopted.

The Group's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the Group is set out below:

FRS 1(R) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)

The revised standard requires:

- All changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income;
- Components of comprehensive income not to be included in statement of changes in equity;

30. NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS AND AMENDMENTS (continued)

- Items of income and expenses and components of other comprehensive income to be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate statement of profit and loss followed by a statement of comprehensive income);

- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements primary statements.

The Group will apply the revised standard from 1 January 2009 and provide comparative information that conforms to the requirements of the revised standard. The key impact of the application of the revised standard is the presentation of an additional primary statement, that is, the statement of comprehensive income.

31. SIGNIFICANT SUBSIDIARIES AND ASSOCIATED COMPANIES

	Subsidiaries	Country of incorporation	Principal activities	Effective equity interest held by Group 2008 %	2007 %
	Leisure products and services				
	Haw Par Leisure Pte Ltd	Singapore	Investment holding	**100.0**	100.0
*	Chengdu Haw Par Oceanarium Co., Ltd ++	The People's Republic of China	Owning and operating oceanariums	**100.0**	100.0
*	Sports Services Ltd	Singapore	Investment holding	**100.0**	100.0
*	Sovereign Marketing Pte Ltd	Singapore	Investment holding	**100.0**	100.0

31. SIGNIFICANT SUBSIDIARIES AND ASSOCIATED COMPANIES (continued)

	Subsidiaries	Country of incorporation	Principal activities	Effective equity interest held by Group 2008 %	2007 %
*	Underwater World International Pte Ltd	Singapore	Investment holding	**100.0**	100.0
*	Underwater World Singapore Pte Ltd	Singapore	Owning and operating oceanariums	**100.0**	100.0
	Underwater World Attractions Pte Ltd	Singapore	Investment holding	**100.0**	100.0
*	Underwater World (Thailand) Ltd. +	Thailand	Investment holding	**49.0**	49.0
*	Underwater World Pattaya Ltd +	Thailand	Owning and operating oceanariums	**46.6**	46.6
	Healthcare products				
	Haw Par Healthcare Limited	Singapore	Manufacturing, marketing and distributing healthcare products under licence	**100.0**	100.0
*	Tiger Balm (Malaysia) Sdn. Bhd. +	Malaysia	Manufacturing, marketing and distributing pharmaceutical products	**100.0**	100.0

31. SIGNIFICANT SUBSIDIARIES AND ASSOCIATED COMPANIES (continued)

	Subsidiaries	Country of incorporation	Principal activities	Effective equity interest held by Group 2008 %	2007 %
*	Haw Par Tiger Balm (Thailand) Limited +	Thailand	Marketing and distributing pharmaceutical products	**49.0**	49.0
*	Haw Par Tiger Balm (Philippines), Inc. ++	Philippines	Marketing and distributing pharmaceutical products	**100.0**	100.0
*	PT. Haw Par Healthcare ++	Indonesia	Import, export and distribution of pharmaceutical, health and consumer products	**100.0**	100.0
*	Tiger Medicals (Taiwan) Limited ++	Taiwan	Marketing and distributing pharmaceutical products	**100.0**	100.0
*	Xiamen Tiger Medicals Co., Ltd. ++	The People's Republic of China	Manufacturing, marketing and distributing pharmaceutical products	**100.0**	100.0

31. SIGNIFICANT SUBSIDIARIES AND ASSOCIATED COMPANIES (continued)

	Subsidiaries	Country of incorporation	Principal activities	Effective equity interest held by Group 2008 %	2007 %
*	Haw Par Healthcare (Xiamen) Co., Ltd ++	The People's Republic of China	Manufacturing, marketing and distributing pharmaceutical products	**100.0**	–
*	Haw Par Elder (India) Private Limited +	India	Marketing and distributing pharmaceutical products	**67.4**	67.4
	Property				
	Haw Par Properties (Singapore) Private Limited	Singapore	Property development and owning and letting properties	**100.0**	100.0
	Haw Par Centre Private Ltd	Singapore	Property development and owning and letting properties	**100.0**	100.0
	Setron Limited	Singapore	Property development including owning and letting properties	**100.0**	100.0
*	Sovereign Sports Limited +	Hong Kong	Owning and leasing of properties	**100.0**	100.0
	Haw Par Land (Malaysia) Sdn. Bhd. +	Malaysia	Investment in properties and letting out of office space	**100.0**	100.0

31. SIGNIFICANT SUBSIDIARIES AND ASSOCIATED COMPANIES (continued)

Subsidiaries	Country of incorporation	Principal activities	Effective equity interest held by Group 2008 %	2007 %
Investments				
Haw Par Capital Pte Ltd	Singapore	Investment holding	**100.0**	100.0
Haw Par Equities Pte Ltd	Singapore	Investment holding and dealing in securities	**100.0**	100.0
Haw Par Investment Holdings Private Limited	Singapore	Investment holding	**100.0**	100.0
Haw Par Pharmaceutical Holdings Pte. Ltd	Singapore	Investment holding	**100.0**	100.0
Haw Par Securities (Private) Limited	Singapore	Investment holding and dealing in securities	**100.0**	100.0
Haw Par Trading Pte Ltd	Singapore	Investment holding and dealing in securities	**100.0**	100.0
M & G Maritime Services Pte Ltd	Singapore	Investment holding and dealing in securities	**100.0**	100.0
Pickwick Securities Private Limited	Singapore	Investment holding	**100.0**	100.0
Straits Maritime Leasing Private Limited	Singapore	Investment holding and dealing in securities	**100.0**	100.0

31. SIGNIFICANT SUBSIDIARIES AND ASSOCIATED COMPANIES (continued)

	Subsidiaries	Country of incorporation	Principal activities	Effective equity interest held by Group 2008 %	2007 %
*	Tiger Balm (Hong Kong) Limited *(Formerly known as Haw Par International Limited)* +	Hong Kong	Investment holding and dealing in securities	**100.0**	100.0
*	Haw Par Brothers International (H.K.) Limited +	Hong Kong	Investment holding and licensing of "Kwan Loong" trademark	**100.0**	100.0
	Haw Par Hong Kong Limited +	Hong Kong	Investment holding	**100.0**	100.0
	Haw Par Management Services Pte Ltd	Singapore	Provision of management support services	**100.0**	100.0

	Associated companies	Country of incorporation	Principal activities	Effective equity interest held by Group 2008 %	2007 %
	UIC Technologies Pte Ltd	Singapore	Investment holding	**40.0**	40.0
*	Hua Han Bio-Pharmaceutical Holdings Limited #	Cayman Islands	Investment holding	**20.84**	20.84

31. SIGNIFICANT SUBSIDIARIES AND ASSOCIATED COMPANIES (continued)

Notes

(i) Companies indicated with a (*) are indirectly held by Haw Par Corporation Limited.

(ii) Companies indicated with a (+) are audited by firms of PricewaterhouseCoopers outside Singapore.

(iii) Companies indicated with a (++) are audited by other firms. These foreign-incorporated companies are not considered as significant foreign-incorporated subsidiaries under the Singapore Exchange Listing Manual. Accordingly, Rule 716 of the Listing Manual has been complied with.

(iv) Company indicated with a (#) is listed on an overseas exchange and audited by other firm of auditors. Its financial year end is 30 June. The Group has equity accounted for the profit of its associated company from 1 January 2008 based on its audited accounts for the financial year ended 30 June 2008, and unaudited six months results to 31 December 2008 as announced on the overseas stock exchange.

(v) Accounting year end for Haw Par Elder (India) Private Limited ("HPEI") is 31 March as required by the laws of its country of incorporation. The consolidated financial statements incorporate the unaudited results of HPEI from 1 January to 31 December. Subsequent to year end, HPEI became a wholly-owned subsidiary.

(vi) All the above subsidiaries and associated companies operate in their respective countries of incorporation except Hua Han Bio-Pharmaceutical Holdings Limited which operates mainly in the People's Republic of China.

32. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements are authorised for issue in accordance with a resolution of the Board of Directors of Haw Par Corporation Limited on 27 February 2009.

Financial Calendar

Date	Event
8 May 2008	Announcement of 2008 1st quarter results
13 August 2008	Announcement of 2008 2nd quarter results
10 September 2008	Payment of 2008 first and interim dividend
7 November 2008	Announcement of 2008 3rd quarter results
27 February 2009	Announcement of 2008 full-year results
1 April 2009	Announcement of Notice of Annual General Meeting / Despatch of 2008 Summary Financial Report
7 April 2009	Despatch of 2008 Annual Report
22 April 2009	40th Annual General Meeting
15 May 2009	Proposed books closure date for dividend entitlement
29 May 2009	Proposed payment of 2008 second and final dividend

Group Offices

CORPORATE OFFICE

Haw Par Corporation Limited
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel : 6337 9102
Fax : 6336 9232
Website : www.hawpar.com

HEALTHCARE

Haw Par Healthcare Limited
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel : 6337 9102
Fax : 6262 3436
Website : www.tigerbalm.com

Tiger Balm (Malaysia) Sdn. Bhd.
PLO 95 No.6
Jalan Firma 1/1
Tebrau Industrial Estate
81100 Johor Bahru
Malaysia
Tel : 07 354 9616
Fax : 07 354 9630

Xiamen Tiger Medicals Co., Ltd

Haw Par Healthcare (Xiamen) Co., Ltd
2/F No 17 Building,
Yi Bin Road,
Taiwan Industrial Estate,
Huli District, Zipcode 361006,
Xiamen
China
Tel : 86 592 562 0201
Fax : 86 592 562 0202

PT. Haw Par Healthcare
Jl. Tebet Timur
Dalam Raya No. 135
Jakarta 12820
Indonesia

Haw Par Tiger Balm (Thailand) Limited
280 Charoenkrung
Kwaeng Samphanthawong,
Khet Samphanthawong,
Bangkok 10100
Thailand

Haw Par Tiger Balm (Philippines), Inc.
Towers Virtual Office and
Business Center
11/F Unit MN
CyberOne Building
Cyberpark Eastwood
Libis, Quezon City
Philippines 1110

Haw Par Elder (India) Private Limited
C-9, Dalia Industrial Estate
Off Veera Desai Road
Andheri (W)
Mumbai 400058
India

Tiger Medicals (Taiwan) Limited
5F, No. 410 Sec 5
Zhong Xiao E. Road
Taipei City 11061
Taiwan
ROC

Group Offices

LEISURE

Haw Par Leisure Pte Ltd
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel : 6337 9102
Fax : 6336 9232

Underwater World Singapore Pte Ltd
80 Siloso Road, Sentosa
Singapore 098969
Tel : 6275 0030
Fax : 6275 0036
Email : uwspl@underwaterworld.com.sg
Website : www.underwaterworld.com.sg

Underwater World Pattaya Ltd
22/22 Moo 11,
Sukhumvit Road,
Nongprue, Banglamung,
Chonburi 20260
Thailand
Tel : 66 3875 6879
Fax : 66 3875 6977

Chengdu Haw Par Oceanarium Co., Ltd#
Bridge No.1
Hong Xing Bei Lu
Chenghua District
Chengdu, Sichuan Province
P. R. China

PROPERTY & INVESTMENTS

Haw Par Properties (Singapore) Private Limited
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel : 6337 9102
Fax : 6336 9232

Haw Par Securities (Private) Limited
401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel : 6337 9102
Fax : 6336 9232

Haw Par Land (Malaysia) Sdn. Bhd.
9th Floor, Menara Haw Par
Lot 242, Jalan Sultan Ismail
50250, Kuala Lumpur
Malaysia
Tel : 03 2070 1855
Fax : 03 2070 6078

Tiger Balm (Hong Kong) Limited
(Formerly known as Haw Par International Limited)
Units 1607-1614
16F Cosco Tower
183 Queen's Road
Tel : 852 2820 9178
Fax : 852 2810 5506

Under construction

Management Listing

CORPORATE OFFICE

Wee Ee Lim
President &
Chief Executive Officer

Chng Hwee Hong
Executive Director

Han Ah Kuan
Executive Director

Zann Lim
Group Financial Controller &
Group Company Secretary

Teo Thin Yien
Group Internal Audit Manager

Tarn Sien Hao
General Manager
(Corporate Development)

Justina Yip
Group Finance Manager

Desmond Wong
Group Human Resource
Manager

Jezamine Lee
Corporate Communications
Manager

Lawrence Oei
Legal Counsel

Tan Quee Kim
Corporate Secretarial Manager

PROPERTY

Wong Fook Yuen
Director & Property Manager,
Haw Par Properties (Singapore)
Private Limited

Jon Lee
Property Manager,
Haw Par Land (Malaysia)
Sdn. Bhd.

HEALTHCARE

Han Ah Kuan
Director & General Manager,
Haw Par Healthcare Limited

Goh Bee Leong
Director & General Manager
(Manufacturing),
Haw Par Healthcare Limited

Jasmin Hong
Deputy General Manager
(Marketing),
Haw Par Healthcare Limited

Law Lan Hua
Group Finance Manager,
Haw Par Healthcare Limited

Kow Mui Lick
Senior Manager (QC & QA),
Haw Par Healthcare Limited

Irene Kum
Regional Manager,
Haw Par Healthcare Limited

Daren Tay
Regional Manager,
Haw Par Healthcare Limited

Lynda Ng
Regional Manager,
Haw Par Healthcare Limited

Yap Yee Sah
Brand Manager,
Haw Par Healthcare Limited

Aninthaya Soonsatham
Country Manager
(Thailand & Indochina),
Haw Par Tiger Balm
(Thailand) Limited

Laura Wang
Country Manager
(China Region),
Haw Par Healthcare Limited

Randive Uday
Country Manager (India),
Haw Par Healthcare Limited

Tai Voon San
Director & Plant Manager,
Tiger Balm (Malaysia)
Sdn. Bhd.

Benson Lim Kok Chong
Plant Manager,
Xiamen Tiger Medicals
Co., Ltd

Management Listing

LEISURE

Chng Hwee Hong
Director,
Haw Par Leisure Pte Ltd

Kwek Meng Tiam
Director & General Manager,
Underwater World Singapore Pte Ltd

Wah Yap Hon
Curator,
Underwater World Singapore Pte Ltd

Betty Khoo
Senior Finance & Administration Manager,
Underwater World Singapore Pte Ltd

Peter Chew
Assistant Director (Sales & Marketing),
Underwater World Singapore Pte Ltd

Bernard Wong
General Manager,
Underwater World Pattaya Ltd

Phai Phan Pattasart
Finance & Administration Manager,
Underwater World Pattaya Ltd

Darong Yingchon
Curator,
Underwater World Pattaya Ltd

Kelvin Whang
Marketing Manager,
Underwater World Pattaya Ltd

John Ng
General Manager,
Chengdu Haw Par Oceanarium Co., Ltd

Kenneth Peh
General Manager (Project Development),
Chengdu Haw Par Oceanarium Co., Ltd

Liu Wei Bin
Curator,
Chengdu Haw Par Oceanarium Co., Ltd

Major Products & Services

HEALTHCARE PRODUCTS

Tiger Brand Products

Tiger Balm,
Tiger Balm Soft,
Tiger Balm Medicated Plaster,
Tiger Indomethacin Plaster,
Tiger Balm Muscle Rub,
Tiger Balm Liniment,
Tiger Headache Cure,
Tiger Mosquito Repellent Spray,
Tiger Balm Mosquito Repellent Patch,
Tiger Balm Arthritis Rub,
Tiger Balm Joint Rub,
Tiger Balm Muscle Spray,
Tiger Balm Neck & Shoulder Rub,
Tiger Balm Neck & Shoulder Rub Boost,
Tiger Balm Back Pain Patch,
Tiger Balm Cooling Patch

Kwan Loong Brand Products

Kwan Loong Medicated Oil,
Kwan Loong Refresher

LEISURE FACILITIES

Oceanariums

Underwater World Singapore*

Dolphin Lagoon

80 Siloso Road,
Sentosa
Singapore 098969
– Aquarium building
– Leasehold
Unexpired term: 9 years

Underwater World Pattaya Ltd*

22/22 Moo 11,
Sukhumvit Road,
Nongprue, Banglamung,
Chonburi 20260
Thailand
– Aquarium building
– Leasehold
Unexpired term: 13 years

Chengdu Haw Par Oceanarium Co. Ltd#

Bridge No.1
Hong Xing Bei Lu
Chenghua District
Chengdu, Sichuan Province
P. R. China

Major Products & Services

PROPERTIES

Haw Par Centre
180 Clemenceau Avenue
Singapore 239922
– Six-storey commercial building
– Leasehold
Unexpired term: 43 years

Haw Par Glass Tower
178 Clemenceau Avenue
Singapore 239926
– Eight-storey commercial building
– Leasehold
Unexpired term: 61 years

Haw Par Technocentre
401 Commonwealth Drive
Singapore 149598
– Seven-storey industrial building
– Leasehold
Unexpired term: 54 years

Haw Par Tiger Balm Building*
2 Chia Ping Road
Singapore 619968
– Nine-storey industrial building
– Leasehold
Unexpired term: 21 years

Menara Haw Par
Lot 242, Jalan Sultan Ismail
50250 Kuala Lumpur,
Malaysia
– Thirty-two storey commercial building
– Freehold

Westlands Centre
Unit 1405-1407
Westlands Centre
20 Westlands Road
Quarry Bay, Hong Kong
– Office & industrial units
– 999-year lease

* Properties used by operations are included in Property, Plant and Equipment

\# Under construction

Statistic of Shareholdings

As at 6 March 2009

DISTRIBUTION OF SHAREHOLDINGS

Number of shares issued	:	197,454,654
Class of shares	:	Ordinary
Voting rights	:	One vote per share

Size of Holdings	No. of Shareholders	%	No. of Shares	%
1 - 999	16,645	75.60	2,010,303	1.02
1,000 - 10,000	4,755	21.60	13,403,496	6.79
10,001 - 1,000,000	605	2.75	25,133,568	12.73
1,000,001 and above	13	0.05	156,907,287	79.46
Total	22,018	100.00	197,454,654	100.00

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of Shares	%
1	DBS Nominees Pte Ltd	54,101,566	27.40
2	Wee Investments Private Limited	44,252,542	22.41
3	Tye Hua Nominees (Pte) Ltd	15,850,486	8.03
4	UOB Kay Hian Pte Ltd	13,858,056	7.02
5	Citibank Nominees Singapore Pte Ltd	6,097,354	3.09
6	HSBC (Singapore) Nominees Pte Ltd	4,170,670	2.11
7	United Overseas Insurance Limited - SHF	3,886,000	1.97
8	Wah Hin & Co Pte Ltd	3,320,596	1.68
9	DBSN Services Pte Ltd	3,236,555	1.64
10	United Overseas Bank Nominees Pte Ltd	3,021,561	1.53
11	Raffles Nominees Pte Ltd	2,147,470	1.09
12	C Y Wee & Co Pte Ltd	1,493,771	0.76
13	Ho Sim Guan	1,470,000	0.74
14	Wee Cho Yaw	972,583	0.49
15	Phillip Securities Pte Ltd	878,698	0.45
16	How Kok Kooi	522,000	0.26
17	Ho Han Leong Calvin	500,401	0.25
18	Tan Proprietary (Pte) Ltd	430,000	0.22
19	UOB Nominees (2006) Pte Ltd	425,137	0.22
20	Chua Wee Keng	400,128	0.20
Total		161,035,574	81.56

FREE FLOAT

Based on the information available to the Company as at 6 March 2009, approximately 32% of the issued ordinary shares of the Company is held by the public and therefore, the Company has complied with Rule 723 of the SGX-ST Listing Manual which requires at least 10% of equity securities (excluding preference shares and convertible equity securities) in a class that is listed at all times held by the public.

Statistic of Shareholdings

As at 6 March 2009

SUBSTANTIAL SHAREHOLDERS AS AT 6 MARCH 2009

	No. of Shares held				
	Direct	Deemed	Total	%	
Wee Cho Yaw	993,067	59,432,001	60,425,068	30.60	(1), (2), (3)
Wee Ee Cheong	117,143	56,771,074	56,888,217	28.81	(1), (2), (4)
Wee Ee Lim	397,448	55,246,443	55,643,891	28.18	(1)
Wee Ee Chao	12,570	55,367,305	55,379,875	28.05	(1), (5)
Wee Investments Private Limited	44,252,542	–	44,252,542	22.41	(1)
United Overseas Bank Limited	–	19,735,034	19,735,034	9.99	(7)
MacKenzie Cundill Investment Management Ltd	–	23,050,100	23,050,100	11.67	(8)
Arnhold and S.Bleichroeder Advisers, LLC	–	29,102,800	29,102,800	14.74	(9)
Supreme Island Corporation	10,986,910	–	10,986,910	5.56	(1)

(1) Messrs Wee Cho Yaw, Wee Ee Cheong, Wee Ee Lim and Wee Ee Chao are deemed to be interested in the shares held by Wee Investments Private Limited, Supreme Island Corporation and Kheng Leong Co Pte Ltd.

(2) Messrs Wee Cho Yaw and Wee Ee Cheong are deemed to have an interest in the shares held by C.Y. Wee & Co Pte Ltd.

(3) Mr Wee Cho Yaw is deemed to have an interest in the shares held by UOL Group Limited.

(4) Mr Wee Ee Cheong is deemed to have an interest in the shares held by E.C. Wee Pte Ltd.

(5) Mr Wee Ee Chao is deemed to have an interest in the shares held by Protheus Investment Holdings Pte Ltd and KIP Investment Holdings Pte Ltd.

(6) Kheng Leong Co Pte Ltd, C.Y. Wee & Co Pte Ltd, UOL Group Limited, E.C. Wee Pte Ltd, Protheus Investment Holdings Pte Ltd and KIP Investment Holdings Pte Ltd are not substantial shareholders of the Company.

(7) United Overseas Bank Limited is deemed to have an interest in the 15,849,034 shares held by Tye Hua Nominees (Pte) Limited and 3,886,000 shares held by United Overseas Insurance Limited - SHF.

(8) Mackenzie Cundill Investment Management Ltd holds the shares in its capacity as investment counsel on behalf of its advisory accounts. One of the accounts, Mackenzie Cundill Value Fund holds 18,778,000 shares, amounting to a shareholding of 9.51%.

(9) Arnhold and S. Bleichroeder Advisers, LLC is an U.S. investment adviser, holding the shares on behalf of its clients. One of its mutual funds, First Eagle Overseas Fund holds 23,149,730 shares, amounting to a shareholding of 11.72%.

Notice of Annual General Meeting

HAW PAR CORPORATION LIMITED
Company Registration Number: 196900437M
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Fortieth Annual General Meeting of the Company will be held at 80 Raffles Place, 61st Storey, UOB Plaza 1, Singapore 048624 on Wednesday, 22 April 2009 at 3.00 p.m. to transact the following business:

AS ORDINARY BUSINESS

Resolution 1 To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 31 December 2008 together with the Auditor's Report thereon.

Resolution 2 To declare a Second & Final Tax-Exempt Dividend of 14 cents per share for the financial year ended 31 December 2008.

To re-appoint the following Directors, who are retiring pursuant to Section 153(6) of the Companies Act, Cap. 50, to hold office until the next Annual General Meeting of the Company:

Resolution 3 Mr Lim Kee Ming

Mr Lim Kee Ming is considered an independent Director.

Resolution 4 Mr Wee Cho Yaw

Mr Wee Cho Yaw will, upon re-appointment, continue as chairman of the Board and Investment Committee and a member of the Nominating Committee and Remuneration Committee of the Company.

Resolution 5 Dr Lee Suan Yew

Dr Lee Suan Yew will, upon re-appointment, continue as a member of the Audit Committee and Nominating Committee of the Company. Dr Lee is considered as an independent Director.

Resolution 6 Mr Hwang Soo Jin

Mr Hwang Soo Jin will, upon re-appointment, continue as a member of the Audit Committee and Remuneration Committee of the Company. Mr Hwang is considered as an independent Director.

Notice of Annual General Meeting

To re-elect the following Directors, who are retiring by rotation pursuant to Article 98 of the Company's Articles of Association:

Resolution 7 Mr Wee Ee Chao

Mr Wee Ee Chao is a non-Executive Director.

Resolution 8 Mr Chng Hwee Hong

Mr Chng Hwee Hong will, upon re-election, continue as a member of the Investment Committee.

Resolution 9 To approve Directors' fees of $257,000 for the financial year ended 31 December 2008 (2007: $257,000).

Resolution 10 To re-appoint Messrs PricewaterhouseCoopers LLP as Auditor of the Company to hold office until the conclusion of the next Annual General Meeting and to authorise the Directors to fix their remuneration.

AS SPECIAL BUSINESS

To consider and, if thought fit, pass the following ordinary resolutions:

Resolution 11 "That approval be and is hereby given to the Directors to offer and grant options in accordance with the rules of the Haw Par Corporation Group 2002 Share Option Scheme ("2002 Scheme"), and pursuant to Section 161 of the Companies Act, Cap. 50, to allot and issue from time to time such number of shares in the Company as may be required to be issued pursuant to the exercise of options under the 2002 Scheme provided always that the aggregate number of shares to be issued pursuant to this resolution shall not exceed five per cent (5%) of the total number of issued shares of the Company from time to time."

Resolution 12 "That pursuant to Section 161 of the Companies Act, Cap. 50, the Articles of Association of the Company and the listing rules of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Directors to issue shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this resolution shall not exceed fifty per cent (50%) of the Company's total number of issued shares, of which the aggregate number of shares to be issued other than on a pro-rata basis to members of the Company shall not exceed twenty per cent (20%) of the total number of issued shares of the Company, and for the purposes of this resolution, the percentage of issued shares shall be based on the total number of issued shares in the capital of the Company at the time this resolution is passed after adjusting for new shares arising from the conversion of share options on issue at the time this resolution is passed, and any subsequent consolidation or subdivision of the Company's shares."

NOTICE OF CLOSURE OF BOOKS

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 15 May 2009.

Duly completed transfers received in respect of the shares of the Company by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 3 Church Street, #08-01, Samsung Hub, Singapore 049483 up to 5.00 p.m. on 14 May 2009 will be registered to determine members' entitlement to the proposed Second & Final dividend. Members whose securities accounts with The Central Depository (Pte) Ltd which are credited with shares of the Company as at 5.00 p.m. on 14 May 2009 will be entitled to such proposed dividend.

The proposed Second & Final dividend, if approved by members, will be payable on 29 May 2009.

By Order of the Board

Zann Lim
Company Secretary

Singapore
1 April 2009

Notes to Resolutions 2, 3 to 8, 11 and 12

Resolution 2 Together with the interim tax-exempt dividend of 6 cents per share paid on 10 September 2008 and subject to shareholders' approval on the second & final tax-exempt dividend of 14 cents per share, the total tax-exempt dividend for the financial year ended 31 December 2008 would be 20 cents per share. (2007: 25 cents tax-exempt, inclusive of a special tax exempt dividend of 5 cents.)

Resolution 3 to 8 Further information on the Directors can be found in the Board of Directors section of this Annual Report.

Resolution 11 is to empower the Directors to allot and issue shares pursuant to the Haw Par Corporation Group 2002 Share Option Scheme ("2002 Scheme") which was approved at the Extraordinary General Meeting of the Company on 22 May 2002. A copy of the Rules of the 2002 Scheme is available for inspection by members during normal business hours at the registered office of the Company at 401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598.

Resolution 12 is to empower the Directors to issue shares in the Company, subject to the limits contained in the resolution. Unless revoked or varied by the Company in general meetings, such authority shall remain in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier. The Directors would only issue shares under this resolution where they consider it appropriate and in the interest of the Company to do so.

Notes:

(1) A member entitled to attend and vote at the meeting is entitled to appoint one or two proxy/proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

(2) To be effective, the Proxy Form must be deposited at the registered office of the Company at 401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598, not less than 48 hours before the time set for holding the meeting.

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PROXY FORM

HAW PAR CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 196900437M

FORTIETH ANNUAL GENERAL MEETING
(Before completing this form, please read the notes behind.)

IMPORTANT

1. For investors who have used their CPF monies to buy shares of Haw Par Corporation Limited, this annual report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPFIS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPFIS Investors who wish to vote should contact their CPF Approved Nominees.

Number of shares held:	
Scrip-based	
Scripless	

I/We, ____ (Name)

of ____ (Address)

being a member/members of the Company, hereby appoint:

NAME	ADDRESS	NRIC/ PASSPORT NO.	PROPORTION OF SHAREHOLDINGS (%)
(a)			

And/or (delete as appropriate)

(b)			

as my/our proxy/proxies to attend and vote for me/us and on my/our behalf at the Fortieth Annual General Meeting of the Company to be held on Wednesday, 22 April 2009 at 3.00 p.m. and at any adjournment thereof.

(Please indicate with a "X" in the spaces provided whether you wish your votes to be cast for or against the Ordinary Resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, your proxy/proxies may vote or abstain as he/she may think fit.)

NO.	RESOLUTION	FOR	AGAINST
ORDINARY BUSINESS			
1	Adoption of Financial Statements and Reports of the Directors and Auditor		
2	Declaration of a Second & Final Dividend		
3	Re-appointment of Mr Lim Kee Ming		
4	Re-appointment of Mr Wee Cho Yaw		
5	Re-appointment of Dr Lee Suan Yew		
6	Re-appointment of Mr Hwang Soo Jin		
7	Re-election of Mr Wee Ee Chao		
8	Re-election of Mr Chng Hwee Hong		
9	Approval of Directors' fees		
10	Re-appointment of PricewaterhouseCoopers LLP as Auditor		
SPECIAL BUSINESS			
11	Authority to issue shares (Share Options)		
12	Authority to issue shares (General)		

Dated this ________________ day of ________________ 2009

____
Signature(s) or Common Seal of Member(s)

Notes:

1. Please insert at the top right hand corner of this Proxy Form the number of scrip-based shares in the Company registered in your name in the Register of Members and the number of scripless shares in the Company entered against your name in the Depository Register maintained by The Central Depository (Pte) Limited ("CDP") in respect of the shares in your securities account with CDP. If no number is inserted, this Proxy Form shall be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at the meeting is entitled to appoint one or two proxy/proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.

3. A member is not entitled to appoint more than two proxies to attend and vote on his/her behalf. Where a member appoints two proxies, the appointments shall be invalid unless he/she specifies the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy.

4. The sending of a Proxy Form by a shareholder does not preclude him/her from attending and voting in person at the Annual General Meeting if he/she finds that he/she is able to do so. In such event, the relevant Proxy Form will be deemed to be revoked.

5. To be effective, this Proxy Form must be deposited at the registered office of the Company at 401 Commonwealth Drive, #03-03 Haw Par Technocentre, Singapore 149598, not less than 48 hours before the time set for holding the meeting.

6. This Proxy Form must be signed by the appointor or by his/her attorney. In the case of a corporation, this form must be executed under its common seal or signed by its duly authorised attorney or officer. In the case of joint holders, all holders must sign this form.

7. Any alteration made in this Proxy Form should be initialled by the person who signs it.

8. The Company shall be entitled to reject this Proxy Form if it is incomplete, improperly completed or illegible or where the true intentions of the appointor is not ascertainable from the instructions of the appointor specified in the form. In the case of members whose shares are entered against their names in the Depository Register, the Company may reject any proxy form lodged if such members are not shown to have the corresponding number of shares in the Company entered against their names in the Depository Register as at 48 hours before the time set for holding the meeting or the adjourned meeting, as appropriate.

9. Agent banks acting on the requests of the CPFIS investors who wish to attend the Annual General Meeting as observers are requested to submit in writing, a list with details of the investors' names, NRIC/Passport numbers, addresses and number of shares held. The list, signed by an authorised signatory of the Agent Bank, should reach the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 3 Church Street #08-01 Samsung Hub Singapore 049483, not less than 48 hours before the time set for holding the meeting.

HAW PAR CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
Company Registration Number: 196900437M

401 Commonwealth Drive
#03-03 Haw Par Technocentre
Singapore 149598
Tel: 6337 9102 Fax: 6336 9232
www.hawpar.com